

This confidential offering memorandum (the “Confidential Offering Memorandum”) constitutes a private offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Confidential Offering Memorandum is not, and under no circumstances is it to be construed as a prospectus, advertisement or public offering of the securities referred to herein. No securities commission or similar regulatory authority in Canada or elsewhere has reviewed or in any way passed upon this Confidential Offering Memorandum or the merits of these securities, and any representation to the contrary is an offence. This is a risky investment. See “Item 8 - Risk Factors”. Persons who will be acquiring securities pursuant to this Confidential Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada. The securities offered hereunder will be issued under exemptions from the prospectus requirements of the applicable securities laws of each of the provinces and territories of Canada and the rules, regulations and policies thereunder and will be subject to certain resale restrictions. See “Item 10 – Resale Restrictions” and “Item 11 – Purchasers’ Rights”.

This Confidential Offering Memorandum is intended for use by investors solely in connection with the consideration of the purchase of these securities. No person is authorized to give any information or to make any representation not contained in this Confidential Offering Memorandum in connection with the offering of these securities and, if given or made, no such information or representations may be relied upon. This Confidential Offering Memorandum is confidential. By their acceptance hereof, prospective investors agree that they will not transmit, reproduce or make available to anyone this Confidential Offering Memorandum or any information contained herein.

The securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exemptions, will not be offered or sold within the United States or to U.S. persons. The Trust is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under provisions of that Act or any other legislation.

Timbercreek Investment Management Inc. (formerly Timbercreek Asset Management Ltd.) (“TIMI”) is the trustee of Timbercreek Four Quadrant Global Real Estate Trust (the “Trust”) and TIMI will manage and operate all business relating to the Trust. TIMI is an exempt market dealer, investment fund manager and portfolio manager in certain jurisdictions and the Trust is a connected issuer and related issuer of TIMI in connection with the distribution of securities hereunder, which may result in conflict of interest.

TIMI is also the trustee of the Timbercreek Four Quadrant Commercial Trust (the “Commercial Trust”) and is the manager of Timbercreek Four Quadrant Global Real Estate Partners (the “Partnership”). As described below, the Trust intends to invest in non-voting units of the Commercial Trust and the Commercial Trust intends to invest in non-voting units of the Partnership and TIMI and its associates (as defined under National Instrument 31-103) may be considered as a partner, officer or director of the Trust, the Commercial Trust and/or the Partnership. Each investor investing in the Trust will be asked to provide his/her/its written consent of the investment by the Trust into the Commercial Trust and into the Partnership (directly or indirectly through the Commercial Trust), and, if permitted pursuant to securities laws or an exemption therefrom, into subsidiaries or other investee entities of which principals of TIMI are partners, directors or officers for the purposes of actively managing the Partnership’s investments, through the execution of the subscription agreement package. See “Item 2.1 – Structure of the Trust” and “Item 2.2- Our Business”.

CONFIDENTIAL OFFERING MEMORANDUM

Continuous Offering

May 27, 2019



TIMBERCREEK FOUR QUADRANT GLOBAL REAL ESTATE TRUST (the “Trust”)

Class A, Class F, Class J, Class UF and Class UJ Units

Price per Unit is equal to the Net Asset Value per Unit

The Trust is offering an unlimited number of Class A Units, Class F Units, Class J Units, Class UF Units and Class UJ Units (together with other classes of units of the Trust, the “Units”) of the Trust on a continuous basis pursuant to this Confidential Offering Memorandum (the “Offering”). The Trust is a limited purpose unincorporated open-

end investment trust governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Trust is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The Units are not “deposits” within the meaning of the *Canadian Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation.

The objectives of the Trust are to: (i) access a broader base of investors, including registered plans and tax-free savings accounts, and among other things, allow investors to obtain exposure, indirectly, to the Partnership’s investments in diversified real estate related assets and investments, including but not limited to direct interests in real estate, mortgages and other real estate related debts and investments, (ii) provide registered holders of Units (the “**Unitholders**”) with stable and growing cash distributions, payable monthly and, to the extent reasonably possible, tax deferred, from indirect investment in diversified real estate related assets and investments of the Partnership, including but not limited to direct interests in real estate, mortgages and other real estate related debts and investments; and (iii) maximize total returns, consisting of income and capital appreciation. See “Investment Objectives and Strategies”.

Depending on the jurisdiction in which a Person is resident, each Person purchasing Units pursuant to this Offering (the “**Investor**”) must be an “**accredited investor**”, invest subject to the “**minimum amount investment**” exemption, the “**employee, executive officer, director and consultant**” exemption or the “**offering memorandum**” exemption or have another available exemption defined in National Instrument 45-106 – Prospectus and Registration Exemptions (“**NI 45-106**”) in order to subscribe for Units. See “Item 5 – Securities Offered”.

The distribution of the Units is being made on a private placement basis only and is exempt from the requirement that the Trust prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Units must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with prospectus and dealer registration requirements or exemptions from the prospectus and dealer registration requirements. Subscribers of Units are advised to seek legal advice prior to any resale of the Units. See “Item 10 – Resale Restrictions” and “Item 11 – Purchasers’ Rights”.

Investing in the Units involves significant risks. There is currently no secondary market through which the Units may be sold and there can be no assurance that any such market will develop. A return on an investment in Units of the Trust is not comparable to the return on an investment in a fixed-income security. The recovery of an initial investment is at risk, and the anticipated return on such an investment is based on many performance assumptions. Although the Trust intends to make regular distributions of its available cash to Unitholders, such distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors, including the Trust’s financial performance, debt covenants and obligations, interest rates, the occupancy rates of the Trust’s properties, redemption requests, working capital requirements and future capital requirements. In addition, the market value of the Units may decline if the Trust is unable to meet its cash distribution targets in the future, and that decline may be material. It is important for an investor to consider the particular risk factors that may affect the industry in which it is investing and therefore the stability of the distributions that it receives. There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Trust or the Unitholders. See “Item 8 - Risk Factors”.

ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Trust provided the Trust qualifies as a “mutual fund trust” for purposes of the Income Tax Act (Canada) (the “**Tax Act**”) and the regulations thereunder, the Units, as of the date hereof, will be qualified investments for trusts governed by registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), registered disability savings plans (“**RDSPs**”), deferred profit sharing plans, registered education savings plans (“**RESPs**”) and tax-free savings accounts (“**TFSAs**”), each as defined in the Tax Act (collectively, “**Registered Plans**”).

Notwithstanding that Units may be qualified investments for a trust governed by a TFSA, RRSP, RESP, RDSP or RRIF, the holder, annuitant, or subscriber thereof will be subject to a penalty tax on the Units if such Units are a “prohibited investment” for the particular TFSA, RRSP, RRIF, RESP or RDSP. Units will generally be a

“prohibited investment” if the holder, annuitant, or subscriber of such a Registered Plan (i) does not deal at arm’s length with the Trust for purposes of the Tax Act or (ii) has a “significant interest” (within the meaning of the Tax Act) in the Trust . In addition the Units will generally not be a “prohibited investment” if the Units are “excluded property” (within the meaning of the Tax Act). Prospective purchasers who intend to hold Units in a TFSA, RRSP, RRIF, RDSP or RESP should consult their own tax advisors as to whether the Units will be a “prohibited investment” in their particular circumstances.

Redemption Notes (as defined herein) or other property received as a result of a redemption in specie of Units generally will not be a qualified investment for Registered Plans, and this may give rise to adverse consequences to such Registered Plan or the holder of or the annuitant or beneficiary under that Registered Plan. Accordingly, holders, annuitants or beneficiaries of Registered Plans that own Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Units.

Form 45-106F2
Offering Memorandum for Non-Qualifying Issuers

Capitalized terms used in this Confidential Offering Memorandum have defined meanings. Please refer to "Glossary of Terms" for a list and the meaning of defined terms used herein.

Date: May 27, 2019

The Issuer

Name: Timbercreek Four Quadrant Global Real Estate Trust

Head Office: 25 Price Street,
Toronto, ON M4W 1Z1
Phone: 416-923-9967 x 7573
Email: subscriptions@timbercreek.com
Fax: 416-848-9494

Currently listed or quoted? No. **"These securities do not trade on any exchange or market".**

Reporting issuer? No.

SEDAR filer? No.

The Offering

Securities offered: Class A Units, Class F Units, Class J Units, Class UF Units and Class UJ Units of the Trust

Price per security: Class Net Asset Value per Unit on the last business day prior to the applicable closing date.

Minimum/Maximum Offering: **There is no minimum or maximum. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.**

Minimum subscription amount: \$5,000 for Class A Units, Class F Units and Class UF Units of the Trust.
\$5,000,000 for Class J Units and Class UJ Units of the Trust (except for Eligible Employees pursuant to the "employee, executive officer, director and consultant" exemption set out in NI 45-106).

Payment terms: Payment in full by wire transfer of the aggregate subscription amount payable to the Partnership with the delivery of a duly executed and completed subscription agreement. See "Item 5.2 - Subscription Procedure".

Proposed closing date(s): Closings will occur on the first business day of any month or such other time as the Manager may determine from time to time. See "Item 5.2 - Subscription Procedure".

Income tax consequences: There are important tax consequences to these securities. See "Item 6- Certain Canadian Federal Income Tax Considerations" and "Item 8 - Risk Factors - Tax-Related Risks".

Selling agent? There is no selling agent for the Offering and no commission will be paid to dealers in respect of the sale of Units in the Offering. The Trust pays to the Trustee, who pays each registered dealer whose clients hold Class A Units a Trailer Fee. See "Item 7 - Compensation Paid to Sellers and Finders" and "Item 2.7.1 - Declaration of Trust - Fees and Expenses - Trailer Fees". The Partnership pays fees and expenses to the Manager. See "Item 2.7.1 - Declaration of Trust - Fees and Expenses" and "Item 2.7.2 - Limited Partnership Agreement - Fees and Expenses".

Resale restrictions: You will be restricted from selling your securities for an indefinite period. See "Item 10 - Resale Restrictions".

Purchaser's rights: You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See "Item 11 - Purchasers' Rights".

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See "Item 10 - Resale Restrictions".

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FORWARD LOOKING STATEMENTS

This Confidential Offering Memorandum contains forward looking statements. Often, but not always, forward looking statements can be identified by the use of words such as “plans”, “proposes”, “expects”, “estimates”, “intends”, “anticipates” or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the Trust’s actual results, performance or developments to be materially different from any future results, performance or developments expressed or implied by the forward looking statements. Examples of such forward-looking statements include, but are not limited to: the timing and targeted level of distributions to Unitholders, the Manager’s targeted asset level returns, the nature of the Trust and its affairs following the Offering, the volatility of the Portfolio, the Manager being expected to be a competitive advantage of the Partnership and indirectly of the Trust, the targeted hedging of currencies that form part of the Portfolio, the target allocations of the Trust’s assets, the targeted investment opportunities of the Partnership where the investment’s yield is greater than the Manager’s assessment of risk of the investment and the ability of the Trust to invest alongside strategic partners going forward.

Actual results, performance and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Confidential Offering Memorandum. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the completion of the Offering, the ability of the Trust to receive sufficient income from assets to fund its targeted distributions, the ability of the Partnership to receive sufficient income from assets held in the Portfolio to fund its targeted distributions, the ability of the Trustee to effectively perform its obligations owed to the Trust, continued growth in the securitization of real estate globally, the potential for the Partnership to provide financing in certain markets for particular assets types, the availability of distressed acquisition opportunities, the availability of pricing inefficiencies in the market, the accuracy of the Manager’s analysis and expectations regarding economic developments and the real estate markets in the relevant jurisdictions as well as the circumstances of each investment in an asset class, the growth of the size of the Trust’s assets, the growth of the size of the Partnership’s assets and Portfolio, the use of the net proceeds of the Offering by the Trust, the market value of the Portfolio assets not experiencing unexpected fluctuations, interest rates not experiencing unexpected fluctuations, financial markets not experiencing unexpected volatility or illiquidity, the opportunity to invest alongside strategic partners, anticipated costs and expenses, competition and changes in general economic and political conditions.

While the Trust anticipates that subsequent events and developments may cause its views to change, the Trust specifically disclaims any obligation to update these forward looking statements, except as required by applicable law. These forward looking statements should not be relied upon as representing the Trust’s views as of any date subsequent to the date of this Confidential Offering Memorandum. Although the Trust has attempted to identify important factors that could cause actual results, performance or developments to differ materially from those described in forward looking statements, there may be other factors that cause results, performance or developments not to be as anticipated, estimated or intended. There can be no assurance that forward looking statements will prove to be accurate, as actual results, performance or developments could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Trust. Additional factors are noted under “Item 8 - Risk Factors”.

OFFERING MEMORANDUM SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information contained elsewhere in this Confidential Offering Memorandum. Capitalized terms used in this Confidential Offering Memorandum have defined meanings. Please refer to “Glossary of Terms” for a list and the meaning of defined terms used herein.

STRUCTURE OF THE TRUST

The Trust:	The Trust is a trust formed under the laws of the Province of Ontario pursuant to and governed by an amended and restated declaration of trust (the “ Declaration of Trust ”) dated May 24, 2019 between Timbercreek Investment Management Inc. (formerly Timbercreek Asset Management Ltd.) as the trustee of the Trust (the “ Trustee ”), Timbercreek Asset Management Inc. as the initial holder of Units (as defined below) (the “ Initial Unitholder ”), and each party who, from time to time, becomes a unitholder as a result of holding Units (each, a “ Unitholder ”). See “Item 2.1 – Structure of the Trust”.
Trustee of the Trust	The Trustee will have full, absolute and exclusive power, control and authority over the assets of the Trust and over the operations of the Trust, to manage the operations and affairs of the Trust and to make all decisions regarding the business of the Trust. As at the date of this Confidential Offering Memorandum, the Trust has not engaged a separate manager for the Trust.
Trustee of the Commercial Trust:	The Trustee is also the trustee of the Timbercreek Four Quadrant Commercial Trust (the “ Commercial Trust ”) and will have full, absolute and exclusive power, control and authority over the assets of the Commercial Trust and over the operations of the Commercial Trust, to manage the operations and affairs of the Commercial Trust and to make all decisions regarding the business of the Commercial Trust. As at the date of this Confidential Offering Memorandum, the Commercial Trust has not engaged a separate manager for the Commercial Trust.
The Partnership:	Timbercreek Four Quadrant Global Real Estate Partners (the “ Partnership ”) is a limited partnership formed under the laws of the Province of Ontario and governed by an amended and restated limited partnership agreement (the “ Limited Partnership Agreement ”) dated May 24, 2019 (as amended from time to time) between Timbercreek Four Quadrant GP Inc. as general partner of the Partnership (the “ General Partner ”), the limited partners identified therein, and each party who, from time to time, becomes a limited partner as a result of holding Units (as defined below) (each, an “ LP Unitholder ”). See “Item 2.1 – Structure of the Trust”.
Manager of the Partnership:	<p>Timbercreek Investment Management Inc. (the “Manager”) provides fund management and portfolio management services to the Partnership pursuant to a fund management and investment advisory agreement. The Manager, a wholly owned subsidiary of Timbercreek Asset Management Inc. (“Timbercreek”), employs a value oriented investment philosophy, and specializes in providing conservatively managed, risk averse alternative asset class investment opportunities to investors. For over 13 years, the Manager and its affiliates have been focused on identifying opportunities to invest in cash-flow generating real estate at prices that are below the Manager’s assessment of the long-term value of the underlying assets.</p> <p>The operating platform of the Manager, coupled with its expertise as a real estate investor and asset manager, is expected to be a significant competitive advantage of the Partnership.</p> <p>The Manager and its affiliates currently manage a number of investment vehicles that</p>

employ strategies that are focused on private equity, private debt, and public equity or public debt. See “Item 2.1.4 –Manager of the Partnership”.

OUR BUSINESS

Investment Objectives:

The Trust was formed for the purpose of accessing a broader base of investors, including Registered Plans, and among other things, allowing investors to obtain exposure to the Portfolio (as defined below) of the Partnership and its investment strategies through investment by the Trust indirectly through the Commercial Trust or otherwise in the Partnership. The investment objective of the Trust is to maximize total returns, consisting of income and capital appreciation, and to provide Unitholders with regular distributions. The Trust intends to achieve its objective by initially investing substantially all of its assets, being the proceeds received by the Trust from the offering of the Units pursuant to this Confidential Offering Memorandum, in the Commercial Trust, which will invest substantially all of its assets in the Partnership.

The Commercial Trust was formed for the purpose of owning LP Non-Voting Units (as defined under “Glossary of Terms”) of the Partnership following the closing of the offering of Units of the Trust pursuant to this Confidential Offering Memorandum and the purchase by the Trust of the non-voting units of the Commercial Trust.

The Partnership was formed for the purpose of constructing, on a discretionary basis, a globally diversified, actively managed portfolio of real estate investments in accordance with the investment objectives of the Partnership, which are to:

- (a) maximize total returns for LP Unitholders (as defined under “Glossary of Terms”), consisting of income and capital appreciation; and
- (b) provide LP Unitholders with regular distributions;

by selecting, purchasing and actively managing diversified real estate related assets and investments, including but not limited to direct interests in real estate, mortgages and other real estate related debts and investments (the “**Portfolio**”).

Investment Strategy:

The Trust intends to achieve its objective by initially investing substantially all of its assets (being the proceeds received by the Trust from the offering of its Units) in the Commercial Trust, which will invest substantially all of its assets in the Partnership.

The principal function of the Commercial Trust will be to own LP Non-Voting Units of the Partnership following the closing of the offering of Units of the Trust and the purchase by the Trust of non-voting units of the Commercial Trust. The Trust will be the sole security holder of the Commercial Trust.

The investment objectives of the Partnership are to maximize total returns for LP Unitholders, consisting of income and capital appreciation, and to provide LP Unitholders with regular distributions. The Partnership seeks to accomplish its investment objectives by:

- (a) investing across the capital structure of equity and debt instruments in order to combine the inflation-hedged benefits of real estate equity with the stability of consistent, yield-generating real estate debt;
- (b) investing in both public and private vehicles to optimize liquidity while minimizing volatility in the underlying investments; and
- (c) adhering to a value-based investment philosophy that mandates

investing at prices that are below the Manager's (as defined under "**Glossary of Terms**") assessment of the long-term value of the underlying assets.

The Partnership invests in equity and debt backed by real estate across all property types which may from time to time include residential, office, industrial, retail, health-care, hotels, and self-storage. The investments are located and/or listed in the industrialized countries of the world such as the United States, Canada, New Zealand, Australia, Singapore, Japan, Hong Kong, Western Europe and the United Kingdom. In conjunction with the focus on global investment opportunities, the Partnership may invest directly or indirectly through other investment entities managed by the Manager to the extent that the Manager can achieve structural or tax efficiencies for the Partnership, provided that any such investment structure will not allow for the duplication of management or incentive fees payable to the Manager.

The Manager believes that its ability to invest throughout the capital stack – common equity, preferred equity, mezzanine debt and debt – and through both privately or publicly held vehicles, allows the Partnership to best capitalize on market opportunities and pricing inefficiencies. This strategy is also intended to reduce volatility and provide liquidity. See "Investment Objectives and Strategies".

Foreign Currency Hedging:

The Trust, through its indirect interest in the Partnership, is exposed to a number of foreign currencies. The Manager takes currency exposure into account in managing the Portfolio, and will look to hedge certain currency exposures when the cost benefit analysis is attractive for the Partnership. The cost/benefit analysis includes looking at the historical trading range of the currency, macro risks, sensitivity of currency to the specific investment or exposure and the cost of purchasing a hedge. Neither the Trust nor the Partnership are required to engage in any such hedging activities.

The Trust is not exposed to any material currency exposure risk in respect of Class UF Units and UJ Units. Although the subscription price of the Class UF Units and Class UJ Units will be paid in U.S. dollars, such payments will be converted into Canadian dollars on the same day to satisfy the subscription price. Both distribution and redemption proceeds will be calculated in Canadian dollars and paid in U.S. dollars based on the then current Exchange Rate, and therefore, there is no currency exposure to the Trust.

Leverage:

The Partnership may utilize various forms of leverage including a loan facility with a Canadian or U.S. chartered bank or a prime brokerage facility and margin purchases that allow the Partnership to borrow funds from time to time that the Manager determines appropriate. In connection with such borrowing, the Partnership may grant security over the assets of the Partnership. The aggregate amount of borrowing by the Partnership may not exceed 40% of the aggregate value of the Total Assets of the Partnership at the time of borrowing, excluding mortgage debts on properties acquired by the Partnership. In the event that such borrowing exceeds 40% of Total Assets, the Manager will take reasonable measures to reduce such borrowings in order that it is below 40% of the Total Assets of the Partnership.

The Partnership has entered into an amended and restated credit agreement dated November 16, 2018, as amended by amending agreement no. 1 dated December 18, 2018 (collectively, "**TD Credit Agreement**") between the Partnership and The Toronto-Dominion Bank ("**TD**"). Under the terms of the TD Credit Agreement, the Partnership is permitted to borrow up to \$50 million on a revolving basis (the "**TD Credit Facility**"). The aggregate amount of borrowing by the Partnership under the TD Credit Agreement may not exceed 50% of the aggregate value of the Total Assets of the Partnership determined in accordance with the valuation principles set forth in the

Limited Partnership Agreement. The term of the TD Credit Facility will mature on December 27, 2019, except if it is extended by TD in its discretion at the request of the Partnership for further periods of twelve months, subject to the terms of the TD Credit Agreement. The TD Credit Facility is secured by a general security agreement over the all of the Partnership's present and after-acquired assets and a general security agreement over all of the present and after-acquired assets of T4Q Securities Trust.

DECLARATION OF TRUST

- Distributions:** The Trust generally intends to make monthly cash distributions to Unitholders (as defined under “**Glossary of Terms**”) of record on the last Business Day (as defined under “**Glossary of Terms**”) of each calendar month (each, a “**Distribution Record Date**”). The Trust intends to pay distributions on or before the 2nd Business Day following the Distribution Record Date (each, a “**Distribution Payment Date**”).
- Termination:** The Trust does not have a fixed termination date. The Trust may be terminated at the time specified in a decision to terminate the Trust by an Extraordinary Resolution passed at a meeting of Unitholders. See “Item 2.7.1 –Declaration of Trust – Termination of the Trust”.
- Quarterly Redemptions:** Unitholders will have the right to redeem Units of the Trust on the last Business Day in March, June, September and December of each year (each, a “**Quarterly Redemption Date**”) at a redemption price per Unit equal to the Class NAV per Unit on the respective Quarterly Redemption Date. Units must be surrendered for the quarterly redemption together with a redemption notice submitted by the Unitholder to the Trust's registrar and transfer agent (or by electronic notice if settling through the FundSERV system) at least 30 days prior to the applicable Quarterly Redemption Date. Payment of redemption proceeds will be made within 60 days following the applicable Quarterly Redemption Date. Payment of the redemption proceeds may be made using the FundSERV network, if applicable.
- The Trust may impose limits on the maximum number of Units to be redeemed on each Quarterly Redemption Date and may suspend redemptions in certain circumstances.
- See “Item 2.7.1 –Declaration of Trust – Limitation and Suspension of Redemptions”.
- Reclassification of Certain Units:** Holders of any Units have the right (a “**Reclassification Right**”), at their option from time to time but subject to applicable law and the terms and provisions of the Declaration of Trust, to reclassify all or any part of the outstanding Units held by such Unitholder into such number of another Class of Units determined by multiplying the number of Units being reclassified by a number determined by dividing (i) the Class NAV per Unit of the Unit being reclassified by (ii) the Class NAV per Unit of the Unit held following such reclassification.
- For details of such Reclassification Rights and how they can be exercised, please see “Reclassification of Units”.
- The Declaration of Trust also provides certain other Classes of Units not offered by this Confidential Offering Memorandum with Reclassification Rights. For details on such Reclassification Rights please see the Declaration of Trust.

DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

The following table sets forth the management and organization of the Trust and the Commercial Trust, as applicable, that will be in place on or prior to the initial Closing Date.

Organization and Management of the Trust and the Commercial Trust:

Management of the Trust and the Commercial Trust

Name and Municipality of Residence

Services Provided to the Trust and the Commercial Trust

Trustee	Timbercreek Investment Management Inc. Toronto, Ontario	Trustee of the Trust and the Commercial Trust.
Custodian	CIBC Mellon Trust Company Toronto, Ontario	Provides custody services to the Trust.
Valuation Agent	SGGG Fund Services Inc. Toronto, Ontario	Provides valuation services to the Trust.
Administrator	SGGG Fund Services Inc. Toronto, Ontario	Provides administration services to the Trust.
Registrar and Transfer Agent of the Trust	Timbercreek Investment Management Inc. Toronto, Ontario	Maintains the Unit register and register of transfers of Units.

Organization and Management of the Partnership:

Management of the Partnership

Name and Municipality of Residence

Services Provided to the Partnership

Manager	Timbercreek Investment Management Inc. Toronto, Ontario	Manages the overall business and operations of the Partnership.
General Partner	Timbercreek Four Quadrant GP Inc. Toronto, Ontario	General Partner of the Partnership.
Promoter	Timbercreek Asset Management Inc. Toronto, Ontario	Formed and established the Partnership.
Custodian	CIBC Mellon Trust Company Toronto, Ontario	Provides custody services to the Partnership.
Valuation Agent	SGGG Fund Services Inc. Toronto, Ontario	Provides valuation services to the Partnership.
Administrator	SGGG Fund Services Inc. Toronto, Ontario	Provides administration services to the Partnership.
Registrar and Transfer Agent of the Partnership	Timbercreek Four Quadrant GP Inc. Toronto, Ontario	Maintains the LP Unit register and register of transfers of LP Units.

SECURITIES OFFERED

Representations of Investors: Each Investor of Units will represent to the Trust and any dealer who sells the Units to such Investor that such Investor is an “accredited investor” as defined in NI 45-106, or the Subscriber will subscribe under the “minimum amount investment” exemption (applicable only in British Columbia, Ontario and Québec), the “employee, executive officer, director and consultant” exemption (applicable only in Ontario) or the “offering memorandum” exemption as defined in NI 45-106 (applicable only in British Columbia). See “Item 10 – Resale Restrictions” and “Item 11 – Purchasers’ Rights”.

Unit Attributes: Each Unit represents an equal, undivided beneficial interest in the net assets of the Trust allocable to that Class.

Subscription Procedure: The Trust is offering an unlimited number of Class A Units, an unlimited number of Class F Units, an unlimited number of Class J Units, an unlimited number of Class UF Units and an unlimited number of Class UJ Units on a continuous basis pursuant to this Offering. Class A Units, Class F Units, Class J Units Class UF Units and Class UJ Units together with other classes of units of the Trust are referred to herein as the “Units”. Each Unit represents an equal, undivided beneficial interest in the net assets of the Trust allocable to that Class. Each Unit is accompanied by the right to participate in the Distribution Reinvestment Plan of the Trust (the “**DRIP**”) on the terms and conditions set out therein. Unless an Investor indicates its intention not to elect to participate in the DRIP in the Subscription Agreement submitted to the Trustee in connection with a subscription for Units, each Investor who is an Eligible Holder (as defined in the DRIP) will, upon purchase of Units, be deemed to have elected to exercise their right to participate in the DRIP, and therefore to have all distributions paid on all Units held by the Investor automatically reinvested in Units of the Class of Units on which the distribution was paid.

Class A Units are available to all eligible Investors. Class F Units are generally only available to eligible Investors who have fee-based accounts with qualified representatives or who are investing directly with the Trust. Class UF Units are only available to eligible Investors who have fee-based accounts with qualified representatives or who are investing directly with the Trust and are investing in U.S. dollars. There are no servicing fees paid on Class F Units or Class UF Units. Class J Units are available to certain Investors who meet the applicable minimum investment amount for Class J Units or to Investors who satisfy the requirements of the “employee, executive officer, director and consultant” exemption set out in NI 45-106 (an “**Eligible Employee**”) as approved the Trustee. Class UJ Units are available to certain Investors who are investing in U.S. dollars and who meet the applicable minimum investment amount Class UJ Units or to Investors who are Eligible Employees.

The Trustee has made arrangements to offer the Units through the investment fund order system, FundSERV under the following code:

Class A Units: TBR600

Class F Units: TBR601

Class J Units: TBR603

Class UF Units: TBR604

Class UJ Units: TBR605

Class F, Class J Units, Class UF Units and Class UJ Units may also be purchased directly through the Trustee (except for Eligible Employees). Investors purchasing Class J Units or Class UJ Units who are Eligible Employees must purchase through qualified representatives who will process orders through FundSERV Inc.

Units may be purchased as at the first business day of any month or such other time as the Trustee may determine from time to time (each, a “**Closing Date**”) at a purchase price per Unit equal to the applicable Class NAV per Unit on the last business day prior to the Closing Date. In order to subscribe for Units, a duly completed and executed Subscription Agreement, including all schedules thereto, must have been delivered to the Trustee not less than five Business Days prior to any Closing Date. Settlement of the subscription price for Units purchased through FundServ Inc. will transact through FundServ three Business Days after monthly closings. For purchases made directly with the Trustee, the required payment must be received by the Trustee no later than 5:00 p.m. (Toronto time) at least two Business Day prior to the Closing Date. See “Item 5.2 - Subscription Procedure”.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part by the Trustee and the Trustee reserves the right to close the subscription books at any time without notice. A subscription for Units hereunder is subject to acceptance of a Subscription Agreement by the Trust and compliance with applicable securities laws.

**Maximum / Maximum
Offering:**

There is no minimum or maximum amount of Units to be offered.

Minimum Purchase:

The minimum amount of Class A Units, Class F Units and Class UF Units that may be subscribed for by any one subscriber is \$5,000.

The minimum subscription amount for Class J Units and Class UJ Units is \$5,000,000 unless the subscriber is an Eligible Employee as approved by the Trustee or the Trustee determines otherwise (such minimum purchase of Class J Units and/or Class UJ Units to be satisfied either on a per Investor basis, or through the aggregation of certain subscriptions of Investors that have been effected by an advisor or dealer for the \$5,000,000 subscription threshold) .

If an Investor who was eligible to subscribe for Class J Units or Class UJ Units because such Investor qualified as an Eligible Employee, ceases to be an Eligible Employee, the Trust will provide written notice to the Investor that the Trust will immediately reclassify all of the Class J Units or Class UJ Units held by such Investor into Class F Units or Class UF Units, as applicable. For further details of such Reclassification Rights see “Item 2.7.1 – Declaration of Trust - Reclassification of Units”. See “Item 5.3 – Minimum Subscription Amount”.

**Distribution Reinvestment
Plan:**

The Trust has adopted a Distribution Reinvestment Plan of the Partnership (the “**DRIP**”) which is administered by the Trustee, a copy of which can be obtained from the Trustee. Each Unit offered hereunder will be accompanied by the right to participate in the DRIP in accordance with the terms and conditions thereof. Unless an Investor indicates its intention not to elect to participate in the DRIP in the Subscription Agreement submitted to the Trustee in connection with a subscription for Units, each Investor who is an Eligible Holder will, upon purchase of Units, be deemed to have elected to exercise their right to participate in the DRIP, and therefore to have all distributions paid on all Units held by such Eligible Holder automatically reinvested in the Units of the Class of Units on which the distribution was paid.

The Trustee will apply all cash distributions arising from or in connection with the

Units owned by Eligible Holders who have elected, or been deemed to have elected, to participate in the DRIP, to purchase further Units of the same Class at a subscription price for each Unit equal to the Class Net Asset Value per Unit determined on the last day of the month immediately prior to the date of the relevant Distribution Record Date. For details of the DRIP and how an Investor can elect to participate or will be deemed to have elected to participate therein, please see the Distribution Reinvestment Plan.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Summary of Income Tax Considerations:

There are important Canadian tax considerations relating to the Units. While this Confidential Offering Memorandum contains a general description of certain of the tax consequences, it is provided for information purposes only and does not purport to be a complete analysis or discussion of all potential tax considerations that may be relevant to the acquisition of Units. Prospective purchasers should consult their own tax advisors having regard to their own particular circumstances.

See “Item 6 - Certain Canadian Federal Income Tax Considerations” and “Item 8 – Risk Factors – Tax-Related Risks”.

Each Investor should satisfy himself or herself as to the federal, provincial, territorial and other tax consequences of an investment in Units by obtaining advice from his or her tax advisor.

RISK FACTORS

Summary of Risk Factors:

An investment in Units is subject to certain risk factors, including:

- (i) there can be no assurance that the Trust will be able to achieve its objective;
- (ii) the Class NAV per Unit and the funds available for distribution will vary according to, among other things, the Class of Units held, the value of the assets in the Portfolio and the distributions paid thereon;
- (iii) there is no market for the Units which may impact the liquidity thereof;
- (iv) the Trust will be investing in non-voting units of the Commercial Trust and the Commercial Trust will be investing in non-voting units of the Partnership with the trustee of both the Trust and the Commercial Trust having extensive powers and the holders of such non-voting units having very limited (if any) powers to replace the trustees;
- (v) the investment by the Trust is indirectly primarily concentrated in the Partnership’s Portfolio (unless the Trustee otherwise determines);
- (vi) the market and economic conditions affecting the equity investments;
- (vii) reliance on the Trustee and the Manager and its key management personnel;
- (viii) the manner and timing of distributions to the Unitholders will be in the sole discretion of the Trustee;
- (ix) sensitivity to interest rates;
- (x) risks regarding redemptions;
- (xi) potential conflicts of interest;
- (xii) risks associated with offering more than one Class of Units;

- (xiii) changes in legislation;
- (xiv) risks relating to taxation of the Trust and of Unitholders, including risks relating to the Trust's tax status and exposure to foreign taxes and U.S. withholding tax risks; and
- (xv) the fact that Units are neither fixed income nor equity securities, and Unitholders will not have certain rights associated with investments in such securities.

In addition, an investment in Units is subject to certain risk factors which arise indirectly as a result of the Trust's investment in the non-voting units of the Commercial Trust and the Commercial Trust's investment in the Partnership, including:

- (i) the financial performance of the Portfolio affects distributions to the Commercial Trust and indirectly to the Trust;
- (ii) risks associated with the lack of information available regarding private issuers;
- (iii) risks relating to investments in real estate;
- (iv) risks relating to changes in real estate value;
- (v) mortgage defaults and leverage risks;
- (vi) risks associated with foreign market exposure;
- (vii) risks relating to the use of leverage by the Partnership;
- (viii) risks relating to the use of derivative instruments;
- (ix) risks associated with short selling;
- (x) risks associated with securities lending;
- (xi) risks associated with foreign currency exposure and the hedging of foreign currencies;
- (xii) fair allocation of investment opportunities among accounts managed by the Manager;
- (xiii) credit risk associated with investments in bonds, debentures and other debt securities;
- (xiv) general risk of investing in debt instruments;
- (xv) risks related to global financial developments; and
- (xvi) the possibility that the Partnership will be unable to acquire or dispose of illiquid securities.

See "Item 8 – Risk Factors".

Tax Related Risks:

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Trust or the Unitholders. If the Trust ceases to qualify as a mutual fund trust, the Canadian federal tax considerations described under "Item 6 - Certain Canadian Federal Income Tax Considerations" and "Eligibility for Investment" would be materially and adversely different, and the Trust, its subsidiaries and the Unitholders may be reassessed for additional taxes from time to time. Such reassessments together with associated interest and penalties could adversely affect the Trust. See "Item 8 – Risk Factors – Tax Related Risks". Investors should consult their own tax advisors with respect to the tax

consequences of investing in the Units.

RESALE RESTRICTIONS

Restricted Period:

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Partnership becomes a reporting issuer in any province or territory of Canada. See “Item 10 – Resale Restrictions”.

The Units are not listed on an exchange. There is currently no secondary market through which the Units may be sold, there can be no assurance that any such market will develop and the Trust has no current plans to develop such a market. Accordingly, the sole method of liquidation of an investment in Units is by way of a redemption of the Units. The Declaration of Trust imposes limits on the maximum number of Units to be redeemed and may suspend redemptions in certain circumstances. See “Item 2.7.1 – Declaration of Trust - Quarterly Redemptions”.

Subscribers of Units may subsequently trade their Units provided that such trades are made pursuant to an exemption from registration and prospectus requirements contained in applicable securities legislation. See “Item 10 – Resale Restrictions” and “Item 11 – Purchasers’ Rights”.

PURCHASER’S RIGHTS

Rights of Action in the Event of a Misrepresentation:

Securities legislation provides purchasers of Units pursuant to this Confidential Offering Memorandum with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where this Confidential Offering Memorandum and any amendment to it contain an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not false or misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation. See “Item 11 – Purchasers’ Rights”.

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Trust. The fees and expenses payable by the Trust will reduce the value of your investment in the Trust. For further particulars, see “Item 2.7.1 –Declaration of Trust - Fees and Expenses”.

Fees and Expenses Payable by the Trust

<u>Type of Fee</u>	<u>Amount and Description</u>
Expenses of Issue:	The Trust will pay the expenses incurred in connection with the Offering of the Units by the Trust.
Trailer Fee on Units Offered:	<p>The Trust will pay to the Trustee, who in turn will pay to each registered dealer of the Class A Units a servicing fee (the “Trailer Fee”) equal to a percentage of the Class NAV per Unit in respect of the Class A Units held by clients of the registered dealer (calculated and paid at the end of each calendar quarter), plus applicable taxes. The amount of the Trailer Fee will be determined by the Trustee from time to time. This Trailer Fee will be reflected in the calculation of the Class NAV per Unit in respect of the Class A Units.</p> <p>See “Item 2.7.1 – Declaration of Trust – Fees and Expenses – Trailer Fees”.</p>
Ongoing Expenses of the Trust:	<p>The Trust pays for all ordinary expenses it incurs in connection with the Trust’s operation and management. In addition to the fees and expenses referenced elsewhere in this Confidential Offering Memorandum, these expenses include, without limitation: (a) any taxes payable by the Trust; (b) costs and fees payable to any valuator, technical consultant, accountant or auditor or other third party service provider; (c) ongoing regulatory filing fees; (d) any expenses incurred in connection with investments; (e) any expenses incurred in connection with any legal proceedings in which the Trustee participates on behalf of the Trust or any other acts of the Trustee or any other agent of the Trust in connection with the maintenance or protection of the property of the Trust; (f) any fees payable to, and incurred by, the Trustee; (g) any additional fees payable to the Trustee for performance of extraordinary services on behalf of the Trust; and (h) consulting fees and expenses associated with the preparation of tax filings. The Trust is also responsible for all taxes, commissions, brokerage commissions and other transaction costs, debt service and costs relating to any credit facilities and any extraordinary expenses which it may incur or which may be incurred on its behalf from time to time, as applicable.</p> <p>Such ordinary expenses are estimated to be approximately \$70,000 per annum. See “Item 2.7.1 –Declaration of Trust - Fees and Expenses” - Ongoing Expenses”.</p>
Commission:	No commission will be paid to dealers in respect of this Offering.

The following table contains a summary of the fees and expenses payable by the Partnership that will be allocated to different Classes of LP Units, including the LP Non-Voting Units held by the Commercial Trust, and thereby will affect distributions from the Partnership to the Commercial Trust and from the Commercial Trust to the Trust. The fees and expenses payable by the Partnership will indirectly reduce the value of your investment in the Trust. For further particulars, see “Item 2.7.2 – Limited Partnership Agreement – Fees and Expenses”.

Fees and Expenses Payable by the Partnership

<u>Type of Fee</u>	<u>Amount and Description</u>
Management Fee on LP Units Offered:	<p>The Manager will not be paid a management fee by the Trust in connection with the Offering of the Units by the Trust.</p> <p>However, in connection with the Offering of the Class A Units, Class F Units and Class UF Units, the Manager will receive a management fee (the “Partnership Management Fee”) from the Partnership of 1.50% per annum of the adjusted Class NAV of the corresponding LP Class A NV Units and LP Class F NV Units adjusted for Trust Expenses (as defined below).</p> <p>In addition, in connection with the Offering of the Class J Units and the Class UJ Units, the Manager will receive a Partnership Management Fee from the Partnership of 1.25% per annum of the adjusted Class NAV of corresponding LP Class J NV Units adjusted for Trust Expenses.</p> <p>The Partnership Management Fee for any Class of LP Non-Voting Units will be calculated based on the adjusted Class NAV of such LP Non-Voting Units, from which will be deducted the aggregate amount of applicable fees and expenses of the Commercial Trust (or the Trust, whichever is applicable), excluding any applicable trailer fees or related expenses, as is notified to the Partnership by the holder of the applicable Class of LP Non-Voting Units (the “Trust Expenses”).</p> <p>The Partnership Management Fee paid by the Partnership to the Manager will be calculated and payable monthly in arrears, plus applicable taxes.</p> <p>See “Item 2.7.2 – Limited Partnership Agreement – Fees and Expenses – Management Fee on the LP Units Offered”.</p>
Performance Fee on LP Units Offered:	<p>The Manager will not be paid a performance fee by the Trust in connection with the Offering of the Units by the Trust.</p> <p>However, in respect of each annual period (a “Determination Year”) ending December 31 (the “Performance Valuation Date”), the Manager will be entitled to receive a performance fee (the “Partnership Performance Fee”), on a per LP Unit basis, equal to 20% of the amount by which the Total Return (as defined below) of a LP Unit of that year exceeds the amount resulting from multiplying the Hurdle Rate (as defined below) by the High Water Mark of that LP Unit (as defined below).</p> <p>“Hurdle Rate” for all Classes of LP Units except Founders Class LP Units is at 8% per annum and for Founders Class LP Units, it is 10% per annum.</p> <p>The “High Water Mark” for a LP Unit is the higher of the following (after appropriate adjustment for distributions made, and any current or deferred tax liabilities for the relevant annual period):</p>

<u>Type of Fee</u>	<u>Amount and Description</u>
	<ol style="list-style-type: none"> 1. the initial issue price of that LP Unit; 2. the Class Net Asset Value per LP Unit on the Performance Valuation Date of the annual period prior to the Determination Year; and 3. the Class Net Asset Value per LP Unit on the Performance Valuation Date of the last annual period in respect of which a Partnership Performance Fee was paid in respect of such LP Unit. <p>If a LP Unit has not been outstanding for a full year at the time of calculation, the calculation shall be pro-rated proportional to the number of days for which that LP Unit has been outstanding.</p> <p>Any Partnership Performance Fee payable will be payable by the Partnership to the Manager within 30 days of December 31 of each year, and shall be subject to Harmonized Sales Tax and the aggregate amount of Partnership Performance Fee payable on all LP Units within a Class will be deducted as an expense of the Partnership and such aggregate amount of Partnership Performance Fee will be allocated to that Class of LP Units in the calculation of the Class Net Asset Value of that Class of LP Units.</p> <p>In calculating the Partnership Performance Fee for any Class of Non-Voting LP Units, any Trust Expenses (as defined above) will be deducted from the Total Return for the applicable class of Non-Voting LP Units. In calculating the High Water Mark for any Class of Non-Voting LP Units, any Trust Expenses will be deducted from the Class Net Asset Value per LP Unit referred to in (ii) or (iii), as applicable, above.</p> <p>“Total Return” means the return generated on a Class of LP Units, including, but not limited to, income from distributions declared and taxes (current and deferred) allocated to a Partner, as well as the appreciation or depreciation in the Class Net Asset Value per LP Unit, over the calendar period, calculated on December 31st of each year after any deduction of any management fee or trailer fee payable by the Partnership to the Manager pursuant to the Management Agreement.</p> <p>If a LP Unit has not been outstanding for a full year at the time of calculation, the calculation of the Total Return of such LP Unit shall be annualized based on the number of days for which that LP Unit has been outstanding.</p> <p>See “Item 2.7.2 – Limited Partnership Agreement – Fees and Expenses – Performance Fee on the LP Units Offered”.</p>

Capitalized terms used in this Confidential Offering Memorandum have defined meanings. Please refer to the “Glossary of Terms” at the end of this Confidential Offering Memorandum for a list and the meaning of defined terms used herein.

ITEM 1 – USE OF AVAILABLE FUNDS

1.1 Funds

The net proceeds of the Offering and the total funds that are anticipated to be available to the Trust immediately following the Closing are as follows:

		Assuming min. Offering ⁽¹⁾	Assuming max. Offering ⁽²⁾
A.	Amount to be raised by this offering	\$0	\$240,000,000
B.	Selling commissions and fees ⁽³⁾	\$0	\$0
C.	Estimated offering costs (e.g., legal, accounting, audit.) ⁽⁴⁾	\$180,000	\$180,000
D.	Available funds: $D = A - (B+C)$	$\$(180,000)$	\$239,820,000
E.	Additional sources of funding required	nil	nil
F.	Working capital deficiency	nil	nil
G.	Total: $G = (D+E) - F$	$\$(180,000)$	\$239,820,000

Notes:

- (1) There is no minimum amount of funds to be raised pursuant to the Offering.
- (2) Although there is no maximum amount to be raised pursuant to this Offering, this number assumes an offering of \$240,000,000 by the Partnership.
- (3) No commission will be paid to dealers in respect of this Offering.
- (4) The expenses of the Offering, including the costs of printing and preparing this Confidential Offering Memorandum, legal expenses, audit expenses, translations expenses, marketing expenses and certain other expenses incurred in connection with the Offering, and will be paid from the gross proceeds of the Offering.

1.2 Use of Available Funds

Description of intended use of available funds listed in order of priority	Assuming min. Offering ⁽¹⁾	Assuming max. Offering ⁽²⁾
The Partnership will invest proceeds of the offering in accordance with the Investment Objectives (see 2.21 Investment Objectives)	\$0	\$239,820,000
Total: Equal to G in the Funds table above	$\$(180,000)$	\$239,820,000

Notes:

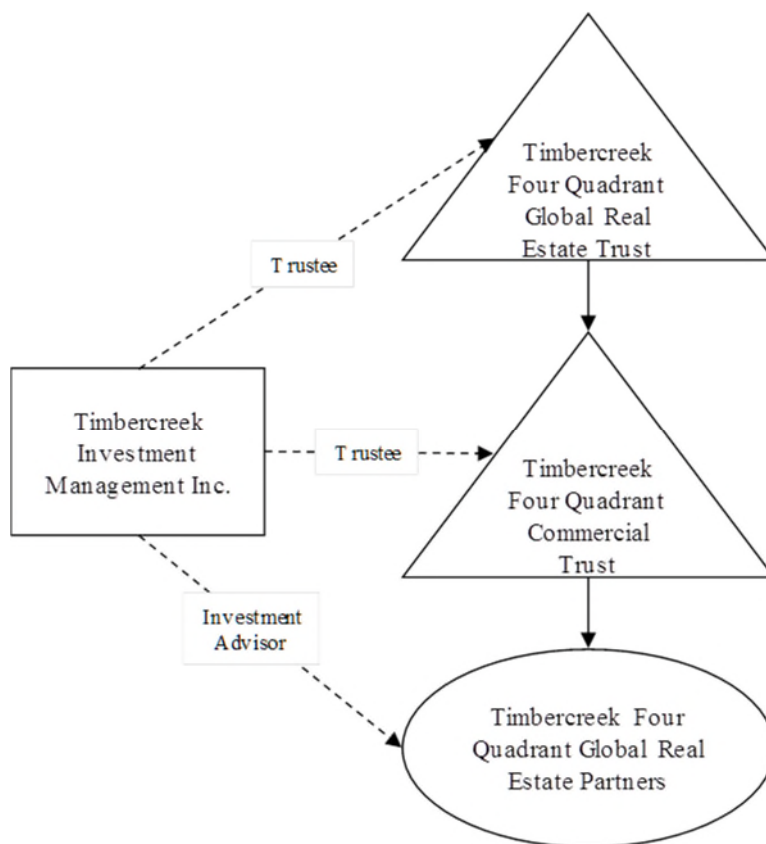
- (1) There is no minimum amount of funds to be raised pursuant to the Offering.
- (2) Although there is no maximum amount to be raised pursuant to this Offering, this number assumes an offering of \$240,000,000 by the Trust.

1.3 Reallocation

The Trust intends to utilize the available funds (net proceeds) as stated above, and the Trust will reallocate funds only for sound business reasons as determined at the sole discretion of the Trustee.

ITEM 2 – BUSINESS OF THE TRUST

2.1 Structure of the Trust



2.1.1 The Trust

Timbercreek Four Quadrant Global Real Estate Trust (the “**Trust**”) is a trust formed on January 24, 2017 under the laws of the Province of Ontario and governed by the amended and restated declaration of trust (the “**Declaration of Trust**”) dated May 24, 2019 between Timbercreek Investment Management Inc. (formerly Timbercreek Asset Management Ltd.) as the trustee of the Trust (the “**Trustee**”), Timbercreek Asset Management Inc. as the initial holder of Units (the “**Initial Unitholder**”), and each party who, from time to time, becomes a unitholder as a result of holding Units (each, a “**Unitholder**”).

2.1.2 The Trustee

Timbercreek Investment Management Inc. is the trustee of the Trust. The Trustee employs a value oriented investment philosophy, and specializes in providing conservatively managed, risk-averse alternative asset class investment opportunities to investors. The Trustee was incorporated under the laws of the Province of Ontario on June 16, 2008. The head office, registered office and principal business address of the Trustee is located at 25 Price Street, Toronto, Ontario M4W 1Z1. The Trustee is a wholly owned subsidiary of Timbercreek which in turn is principally owned by R. Blair Tamblyn and Ugo Bizzarri through their investment in 2314716 Ontario Limited.

The Trustee, in compliance with the terms and conditions contained in the Declaration of Trust, will have full, absolute and exclusive power, control and authority over the assets of the Trust and over the operations of the Trust, to manage the operations and affairs of the Trust, to make all decisions regarding the business of the Trust, to bind the Trust and to admit Unitholders into the Trust.

The Trustee may from time to time appoint one or more officers as the officer of the Trust on such terms and for such period as it deems necessary.

2.1.3 Commercial Trust

The CT Trustee, in compliance with the terms and conditions contained in the CT Declaration of Trust, will have full, absolute and exclusive power, control and authority over the assets of the Commercial Trust and over the operations of the Commercial Trust, to manage the operations and affairs of the Commercial Trust and to make all decisions regarding the business of the Commercial Trust

The CT Trustee will have the power, from time to time, to appoint one or more officers as the officer of the Commercial Trust on such terms and for such period as it deems necessary.

2.1.4 Partnership

Timbercreek Four Quadrant Global Real Estate Partners is a limited partnership formed on September 22, 2011 under the *Limited Partnerships Act* (Ontario) in the Province of Ontario and governed by the Limited Partnership Agreement between Timbercreek Four Quadrant GP Inc. as general partner of the Partnership, the limited partners identified therein, and each party who, from time to time, becomes a limited partner as a result of holding Units.

General Partner

Timbercreek Four Quadrant GP Inc. is the general partner of the Partnership. The General Partner was incorporated on September 21, 2011 under the laws of the Province of Ontario. Its head office is located at 25 Price Street, Toronto, Ontario, M4W 1Z1. The General Partner is responsible for certain aspects of the day-to-day administration of the Partnership as described in the Limited Partnership Agreement, including keeping the record of Limited Partners and administering the LP DRIP.

The General Partner has exclusive authority to manage the operations and affairs of the Partnership, to make all decisions regarding the business of the Partnership, to bind the Partnership and to admit LP Unitholders into the Partnership in accordance with the Limited Partnership Agreement.

Manager of the Partnership

The Manager, TIMI, was incorporated under the laws of the Province of Ontario on June 16, 2008. The head office, registered office and principal business address of the Manager is located at 25 Price Street, Toronto, Ontario M4W 1Z1. The Manager is a wholly owned subsidiary of Timbercreek which in turn is principally owned by R. Blair Tamblyn and Ugo Bizzarri through their investment in 2314716 Ontario Limited.

The Manager employs a value oriented investment philosophy, and specializes in providing conservatively managed, risk-averse alternative asset class investment opportunities to investors. The Manager's broad platform provides exposure to a high volume of deal flow, and extensive contacts throughout the real estate industry, providing Timbercreek with a deep understanding of the marketplace and access to more information than single-focused market participants typically have. For over 13 years, the Manager and its affiliates and predecessors have been focused on identifying opportunities to invest in cash-flow generating real estate at prices that are below the Manager's assessment of the long-term value of the underlying assets. These inefficiencies can be a result of sub-optimal structuring, sub-optimal capitalization or a misunderstood, fragment or out-of-favour asset class.

The current operating platform of the Manager coupled with its expertise as a real estate investor and asset manager is a major competitive advantage of the Partnership in seeking to achieve its objective to invest in direct real estate investment opportunities.

Investment Committee

The Manager is responsible for approving all public equity and public debt investments of the Partnership and, pursuant to the Management Agreement, the Manager has delegated the responsibility for approving all private equity and private debt investments of the Partnership to the Investment Committee of Timbercreek, the parent of the Manager. The Investment Committee is currently comprised of Ugo Bizzarri, Corrado Russo, Bradley Trotter and R. Blair Tamblyn. Pursuant to the Partnership Management Agreement, the Manager will follow, and will require that all of its sub-managers follow, a reasonable process in reviewing and approving investments for the Partnership.

The Custodian

The Partnership has appointed CIBC Mellon Trust Company as custodian of the Partnership's assets pursuant to the Custodial Agreement between the Partnership and the Custodian. The Custodian is, among other things, in the business of providing professional custodial services. The head office of the Custodian is located in Toronto, Ontario. The Custodian may employ sub-custodians as considered appropriate in the circumstances.

Valuation Agent

SGGG Fund Services Inc. is the valuation agent for the Partnership and is responsible for providing administration services to the Partnership, including fund valuation and financial reporting services. SGGG Fund Services Inc. is responsible for providing valuation services to the Partnership and calculates the NAV and Class NAV per LP Unit pursuant to the terms of a separate fund administration agreement. See "Item 2.7.2 – Limited Partnership Agreement – Calculation of Net Asset Value".

Administrator

SGGG Fund Services Inc. is the administrator for the Partnership and is responsible for providing administration services to the Partnership, including record keeping, register management, LP Unit transaction and similar services as may be provided to the Partnership by the Administrator or by such other party as may be retained from time to time by the Partnership.

Transfer Agent and Registrar

The General Partner is acting as the transfer agent and registrar for the Partnership and will maintain the register of LP Units at its head office.

2.2 Our Business

2.2.1 The Trust and the Commercial Trust

The Trust has been formed for the purpose of accessing a broader base of investors, including Registered Plans and allowing investors to obtain exposure to the Portfolio (as defined below) of the Partnership and its investment strategies through indirect investment by the Trust in the Partnership. The investment objective of the Trust is to maximize total returns, consisting of income and capital appreciation, and to provide Unitholders with regular distributions. The Trust intends to achieve its objective by investing the proceeds received by the Trust from the Offering of the Units pursuant to this Confidential Offering Memorandum in the corresponding non-voting units of the Commercial Trust, which will invest substantially all of its assets in the corresponding LP Non-Voting Units of the Partnership.

The Commercial Trust is an investment trust. The principal function of the Commercial Trust is to own the corresponding LP Non-Voting Units of the Partnership following the closing of the Offering of Units of the Trust and the purchase by the Trust of the corresponding non-voting units of the Commercial Trust. The Trust will be the sole security holder of the Commercial Trust.

An investment in the Commercial Trust by the Trust will be compatible with the investment objectives of the Trust, and an investment in the Partnership will be compatible with the investment objectives of the Commercial Trust. Since the Commercial Trust will invest only in the LP Non-Voting Units of the Partnership, the Commercial Trust will not become a substantial security holder of the Partnership.

2.2.2 Partnership Objectives

The Partnership was formed for the purpose of constructing, on a discretionary basis, a globally diversified, actively managed portfolio of real estate investments in accordance with the investment objectives of the Partnership, which are to:

- (a) maximize total returns for LP Unitholders, consisting of income and capital appreciation; and
- (b) provide LP Unitholders with regular distributions;

by selecting, purchasing and actively managing diversified real estate related assets and investments, including but not limited to direct interests in real estate, mortgages and other real estate related debts and investments (the “**Portfolio**”).

2.2.3 Partnership Investment Strategies

The Partnership Investment Overview

The Partnership seeks to accomplish its investment objectives by being mindful of preserving capital and:

- (a) investing across the capital structure of equity and debt instruments in order to combine the inflation-hedged benefits of real estate equity with the stability of consistent, yield-generating real estate debt;
- (b) investing in both public and private vehicles to optimize liquidity while minimizing volatility in the underlying investments; and
- (c) adhering to a value-based investment philosophy that mandates investing at prices that do not reflect the long-term value of the underlying assets.

The Partnership invests in equity and debt backed by real estate across all property types which may from time to time include residential, office, industrial, retail, health-care, hotels, and self-storage. The investments are located and/or listed in the industrialized countries of the world such as the United States, Canada, New Zealand, Australia, Singapore, Japan, Hong Kong, Western Europe and the United Kingdom. In conjunction with the focus on global investment opportunities, the Partnership may invest directly or indirectly through other investment entities managed by the Manager to the extent that the Manager can achieve structural or tax efficiencies for the Partnership, provided that any such investment structure will not allow for the duplication of management or incentive fees payable to the Manager.

The Partnership has a strategy of investing in private equity, private debt, public equity and public debt in order to seek to achieve a good balance between optimizing liquidity and minimizing volatility as well as achieving growth and generating yield in its portfolio of investments. The current target allocations of the Partnership are shown below:

	GROWTH	YIELD
STABLE	Private equity <ul style="list-style-type: none"> • 20% to 50% allocation to private investments in operating companies or through joint-venture opportunities and direct ownership 	Private Debt <ul style="list-style-type: none"> • 20% to 40% allocation to private, senior and subordinate debt secured by real estate
LIQUID	Public Equity <ul style="list-style-type: none"> • 10% to 30% allocation to common equity of publicly traded real estate investment trusts (“REITs”) and other publicly listed real estate companies 	Public Debt <ul style="list-style-type: none"> • 10% to 30% allocation to publicly traded debt instruments including preferred shares, convertible debentures, corporate bonds, mortgage investment corporations and mortgage REITs

Partnership Investment Strategy

The Manager believes that its ability to invest throughout the capital stack – common equity, preferred equity, mezzanine debt, and debt – and through both privately or publicly held vehicles, allows the Partnership to best capitalize on market opportunities and pricing inefficiencies. This strategy is also intended to reduce volatility and provide liquidity.

Private Equity:

The Partnership invests in real estate directly or in privately-held companies that predominantly own real estate. The Manager targets core, value-add, and opportunistic real estate opportunities and real estate companies through various strategies classified as follows:

Asset Repositioning - investments in assets where significant renovations are required to improve the competitiveness of the asset which is expected to lead to one or more of: higher rents, lower operating costs, lower cap rate and ultimately higher value.

Lease-Up - investments in assets with in-place or upcoming vacancy where value can be added by repositioning and releasing the asset.

Development - investments in ground up developments with established and reputable, sponsors in liquid markets with attractive fundamentals.

Distressed - investments in assets experiencing problems as a result of an over-levered capital structure or mismanagement at the property level.

Growth equity - investment in an asset or company that provides the existing owner with the capital needed for acquisitions, development and/renovations.

When analyzing private equity investments for the Partnership, the Manager focuses on investments where it believes value can be created based on improvements to net operating income and which is not dependent on improvements in market valuations to drive the value of the investment.

Private Debt:

The Partnership invests in debt collateralized by real estate directly or issued by companies that primarily own real estate. Similar to the strategy of public debt investments as described below, the Manager targets opportunities where the investment's yield is greater than the Manager's assessment of risk of the investment. The Manager believes that it can earn attractive risk-adjusted returns by issuing unconventional loans in areas where conventional providers of financing - banks, insurance companies or pension funds - are not actively lending. Unconventional loans are typically characterized as loans having terms of between three months and five years, principal balances of less than fifteen million dollars, interest only structures and the flexibility to repay the loan at any time. The Manager believes there are many niche markets where one can earn attractive risk-adjusted returns by issuing and investing in private debt as a result of the reduced appetite of banks to make loans and the disappearance of other sources of capital as a result of the global financial crisis. The Manager also believes that these mortgage investments are attractive due to the fact that the shorter duration of the loans helps to protect the Partnership in a rising interest rate environment.

Public Equity:

The Partnership invests in the common equity of publicly traded issuers backed by real estate, including REITs and other publicly listed real estate companies.

The Manager believes that public securities contain numerous beneficial characteristics that enhance the Partnership. The Partnership from time to time invests in REITs and other issuers of real estate securities listed in the developed countries of the world such as United States, Canada, Australia, Japan, New Zealand, Singapore, Hong Kong, Western Europe, and the United Kingdom. The economies' of each of these countries and their underlying real estate markets are driven by different factors, resulting in the performance of the real estate securities in one market to having a low correlation to the performance of the real estate securities in another market.

Many REITs and other issuers of real estate securities located in developed markets besides Canada own "trophy" assets in highly desirable submarkets that rarely trade in the private market. By investing in REITs and other issuers of real estate securities, the Partnership has the ability to gain economic exposure to these underlying assets.

The Manager selects these investments using a total rate of return framework, which includes buying investments classified as follows:

Core Investments - Investments in issuers that own high-quality assets in supply constrained markets and where the bulk of the investment's return is expected to come through growth in the company's underlying income stream as well as capital appreciation.

Income Investments - Investments in issuers that own secondary real estate but having secure cash flow streams and where the bulk of the investment's return is expected to be generated through current income.

Opportunistic - Investments in issuers trading at discounted valuations as a result of issuer specific issues or market turmoil and where catalysts exist that could change the security's pricing paradigm.

Public Debt:

The Partnership also invests in the preferred stock, unsecured debt, and convertible debentures issued by publicly traded issuers whose assets primarily consist of real estate, including REITs and other publicly listed real estate companies, as well as the common equity and preferred equity of mortgage REITs. These securities are typically structured to yield a stable and consistent coupon. Additionally, the security is usually collateralized directly or indirectly by real estate and the borrower is bound by a set of covenants. The Manager targets opportunities where the security's yield is greater than the Manager's assessment of risk of the investment. These pricing inefficiencies occur in the market because the primary buyer of the securities has a different cost of capital than others in the financial system, an existing group of investors in a security may exit the marketplace, the type and/or structure of the security is new and not properly understood by market participants, or the structure and/or size of the investment prevents other market participants from investing in the security.

As such, the Partnership targets those securities that it believes to be inefficiently priced relative to the inherent credit risk and interest rate risks. The Manager is also selective in its entry into these securities depending

on the interest rate environment in any given market. The Manager believes that when securities are inefficiently priced the Partnership could be in a position to capitalize on outsized returns.

2.2.4 Active Management

With the belief that attractive investment returns are achieved by being an active manager, since 1999 the Manager has focused on building a full-service asset management platform focused on identifying real estate investment opportunities that fit a value-oriented investment philosophy, and that benefits from an active management style. The Manager actively manages the Portfolio pursuant to the investment guidelines and policies established from time to time by the Manager that are consistent with the investment objectives, strategy and restrictions of the Partnership. See “Item 2.2.2 – Partnership Objectives” and “Item 2.2.3 - Partnership Investment Strategies”.

Active management includes, but is not limited to:

- searching for premiere real estate in prime locations in the world’s top international cities;
- dissecting income streams of companies to avoid those exposed to large amounts of development, funds management, non-real estate investments and other activities that reduce the stability of the income stream;
- searching for attractively priced alternatives to invest in across the capital structure;
- monitoring the cyclical and secular trends in local markets to determine where to allocate capital in order to maximize total return; and
- selling assets that have attained their fair market value and reinvesting proceeds into other areas.

2.2.5 Risk Management

The Partnership manages risk and minimizes volatility by:

- building a diversified Portfolio comprised of private equity in real estate operating companies and real estate assets, private secured loans to real estate investors and real estate companies, and public equity and debt securities including common shares, trust units, preferred shares and convertible debentures in REITs, other publicly listed real estate companies and mortgage investment corporations in major markets around the world;
- investing in securities across the capital structure of equity and debt instruments including corporate debt, preferred shares, mortgages, common equity/trust units and convertible debentures that have low correlations relative to one another;
- employing a global investment and analytical team with people on the ground in Australia (which includes coverage of countries in the Pacific Rim), Europe and North America to closely monitor local market conditions and identify investment opportunities in each region; and
- actively managing the Portfolio, including continuously reviewing the global investment strategy and actively searching for opportunities across the capital structure.

The Manager believes that this approach reduces the overall volatility of the Partnership. The price of debt and equity react differently to economic events and interest rates, different asset classes have different lease lengths and demand elasticity, and individual markets are primarily influenced by local supply and demand dynamics. These factors assist the Manager in constructing a portfolio with investments having low correlations to each other, thereby assisting to reduce the volatility of the Partnership.

In respect of allocation of assets to publicly traded securities (debt and equity), the Manager has set the Partnership’s targeted range at 20-60% of total assets, and expects that, on average, the allocation will be approximately 35%. Although public securities typically exhibit greater volatility than private investments, they

also possess a greater liquidity. This characteristic should allow the Manager to satisfy any redemption requests and reduce the risk of being forced to quickly sell an illiquid asset at an unfavorable price, which, in the opinion of the Manager, improves the performance of the Partnership over the long-term.

2.2.6 Use of Derivatives

The Partnership may invest in or use derivative instruments, other than commodity derivatives, for hedging purposes consistent with its investment objectives and investment strategy and subject to its investment restrictions. For example, the Partnership may use derivatives, including foreign exchange hedges, with the intention of offsetting or reducing risks associated with an investment or group of investments. No assurance can be given that the Partnership will be hedged from any particular risk from time to time.

2.2.7 Foreign Currency Hedging

The Partnership is exposed to a number of foreign currencies. The Manager takes currency exposure into account in managing the Portfolio and will look to hedge certain currency exposures when the cost benefit analysis is attractive for the fund. The cost/benefit analysis includes looking at the historical trading range of the currency, macro risks, sensitivity of currency to the specific investment or exposure and the cost of purchasing a hedge. The Partnership is not required to engage in any such hedging activities.

2.2.8 Leverage

The Partnership may utilize various forms of leverage including a loan facility with a Canadian chartered bank or a prime brokerage facility and margin purchases that allow the Partnership to borrow funds from time to time that the Manager determines appropriate. In connection with such borrowing, the Partnership may grant security over the assets of the Partnership. The aggregate amount of borrowing by the Partnership may not exceed 40% of the Total Assets at the time of borrowing. In the event that the borrowing exceeds 40% of Total Assets, the Manager takes reasonable measures to reduce the total borrowings such that it is below 40% of the Total Assets of the Partnership, provided that the foregoing 40% threshold does not apply to mortgage debts on properties acquired by the Partnership.

On November 16, 2018, the Partnership entered into the TD Credit Agreement (as amended on December 18, 2018) under which the Partnership is permitted to borrow up to \$50 million on a revolving basis. A summary of the provisions of the TD Credit Agreement is contained under the heading “Item 2.7.4 – TD Credit Agreement”, which is qualified in its entirety by reference to the actual text of the TD Credit Agreement. A copy of the TD Credit Agreement may be inspected during business hours at the principal office of the Partnership during the course of distribution of the Units offered hereby.

2.2.9 Securities Lending

In order to generate additional returns, the Partnership may lend Portfolio securities to securities borrowers acceptable to the Partnership pursuant to the terms of a securities lending agreement between the Partnership and any such borrower under which: (i) the borrower will pay to the Partnership a negotiated securities lending fee and will make compensation payments to the Partnership equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Tax Act; and (iii) the Partnership will receive collateral security. If a securities lending agent is appointed for the Partnership, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

2.2.10 Short Selling

The Partnership may from time to time engage in short selling of securities included in the Portfolio, as permitted by securities laws, and may do so as a complement to the Partnership’s investment strategy in circumstances where the Manager expects that the securities of an issuer will decrease in market value. In addition, the Partnership may also engage in pairs trading of two historically correlated securities. For example, when the correlation between the two securities temporarily weakens (i.e., one stock moves up while the other moves down), the Partnership may engage in a pairs trade where it would sell short the outperforming stock and take a long

position in the underperforming one, on the expectation that the “spread” between the two would eventually converge.

2.3 Development of the Business

The Trust was formed for the purpose of accessing a broader base of investors, including Registered Plans, and among other things, allowing investors to obtain exposure to the Portfolio, the Partnership and its investment strategies through investment by the Trust indirectly through the Commercial Trust or in the Partnership.

Since the formation of the Trust on January 24, 2017, the Partnership continued to pursue its business strategy of constructing a globally diversified, actively managed portfolio of real estate investments that have, among other things, demonstrated an ability to generate sustainable cash flow.

From inception through April 30, 2019, the Partnership has raised and deployed \$615 million in capital pursuant to this strategy and has generated a since inception return of 10.34%.

The Partnership was formed on September 22, 2011 for the purpose of constructing a globally diversified, actively managed portfolio of real estate investments in order to maximize total returns for Unitholders and provide Unitholders with a regular distribution. The Partnership strives to achieve this by investing in real estate equity and debt both publicly and privately in accordance with the target allocations described under the Strategy section above.

In the two most recently completed financial years, the Partnership has maintained allocations within each of the quadrants as follows:

	Private Equity	Private Debt	Public Equity	Public Debt	Cash
December 31, 2017	26.9%	31.1%	26.2%	10.9%	4.9%
December 31, 2018	30.7%	38.3%	18.8%	9.9%	2.3%

In each of the two most recently completed financial years, the Partnership has achieved the following net return:

2018: 8.51% (inclusive of a 5% yield)

2017: 8.34% (inclusive of a 5% yield)

2.4 Long Term Objectives

The long-term objective of the Trust is to maximize total returns, consisting of income and capital appreciation, and to provide Unitholders with regular distributions. The Trust intends to achieve its objective by investing the proceeds received by the Trust from the Offering of the Units pursuant to this Confidential Offering Memorandum in the corresponding non-voting units of the Commercial Trust, which will invest substantially all of its assets in the corresponding LP Non-Voting Units of the Partnership.

2.5 Short Term Objectives

The primary objectives of the Partnership for the ensuing 12 months are to (i) continue to acquire capital through the Offering; and (ii) invest the proceeds of the Offering in the Portfolio.

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Acquire capital through the Offering and invest in the Commercial Trust and indirectly into the Portfolio	12 months	Nil

2.6 Insufficient Funds

The Manager anticipates that the funds available as a result of the Offering will be sufficient to accomplish all of the Partnership's proposed objectives.

2.7 Material Contracts

2.7.1 Declaration of Trust

Description of the Units

Each Unitholder is entitled to one vote for each Unit held. Subject to the provisions of the Declaration of Trust, each Unit shall entitle the holder thereof to participate pro rata with respect to all distributions of the same Class, and, upon liquidation of the Trust to participate pro rata with the Unitholders of the same Class in the Class Net Asset Value of the Trust remaining after the satisfaction of outstanding debts, liabilities and liquidation or termination expenses of the Trust. Distributions are allocated among each Class of Units in such manner and at such times as the Trustee considers appropriate and equitable. Eligible Holders have the right to participate in the DRIP of the Trust. See "Item 5.1.3 - Distribution Reinvestment Plan". Unitholders have the right to redeem the Units as set out in this Confidential Offering Memorandum. See "Item 2.7.1 –Declaration of Trust - Quarterly Redemptions". Holders of certain Units have the right to elect to reclassify such Units into other Classes of Units. See "Item 2.7.1 – Declaration of Trust - Reclassification of Units". Unitholders have no voting rights in respect of securities held by the Trust. The distinguishing characteristic of each Class of Units relates to the different fee structure applicable to such Class. See "Item 2.7.1 –Declaration of Trust - Calculation of Net Asset Value - Class Net Asset Value per Unit" and "Item 2.7.1 –Declaration of Trust - Fees and Expenses". Units may not be transferred except in conformity with applicable securities laws relating to resale of securities and only if the prior written consent of the Trustee has been obtained and the transfer is in accordance with the provisions of the Declaration of Trust.

Issuance of Units

The Trustee may, at any time without the approval of the Unitholders, raise capital for the Trust by issuing and selling Units, on a private placement basis (including, without limitation, through the DRIP) or by way of public offering (including an initial public offering) and may determine the terms and conditions of any such issuance and sale and may do all things in that regard including, without limitation, preparing and filing a preliminary prospectus, a prospectus or offering memorandum, and such other documents as may be necessary or advisable, paying the expenses of the offering and sale of Units and entering into agreements with any person providing for a commission or fee in respect of such sale, either to underwriters, agents or purchasers, all in a manner that is not inconsistent with the provisions of any prospectus, offering memorandum or relevant offering documents and provided that the Trustee has complied with applicable securities laws and has acted in good faith and in the best interest of the Trust in accordance with the Declaration of Trust. See "Item 8 - Risk Factors – Dilution".

Quarterly Redemptions

Unitholders will have the right to redeem Units on the last business day in March, June, September and December of each year (each, a "**Quarterly Redemption Date**") at a redemption price per Unit equal to Class Net Asset Value per Unit on the Quarterly Redemption Date.

Exercise of Redemption Privileges

Units must be surrendered for the quarterly redemption together with a redemption notice submitted by the Unitholder to the Trustee or by electronic notice if settling through the FundSERV system at least 30 days prior to the applicable Quarterly Redemption Date. Payment of redemption proceeds are made within 60 days following the applicable Quarterly Redemption Date. Payment of the redemption proceeds may be made using the FundSERV network. Redemption proceed payable in respect of Class UF Units and Class UJ Units will be calculated in Canadian dollars but paid in U.S. dollars. See "Item 5.2 - Subscription Procedure".

Limitation and Suspension of Redemptions

The Trust shall not accept for redemption on any Quarterly Redemption Date, Units representing more than 5% of the average number of Units of each Class outstanding for the 90-day period immediately preceding the applicable Quarterly Redemption Date. In the event that the number of Units of each Class tendered for redemption in respect of a Quarterly Redemption Date exceeds the limits set forth above, the Trust shall redeem such Units tendered for redemption and not withdrawn or revoked, on a *pro rata* basis. For the Units that have been tendered for redemption but could not be redeemed for cash (“**Remaining Units**”), the Trust will provide the Unitholder holding such Remaining Units with the following options (for which the Unitholder will have indicated their selection in the initial redemption notice by completing the relevant section):

- (a) The Unitholder may revoke and withdraw the redemption notice previously tendered in respect of the Remaining Units and elect for such Remaining Units to be put in for redemption for cash at the next Quarterly Redemption Date; or
- (b) The Unitholder will not revoke and withdraw the redemption notice previously tendered and the Trust will redeem such Remaining Units by issuing to such Unitholder Redemption Notes in an amount equal to the redemption amount for the Remaining Units.

Notwithstanding the foregoing limitations on redemption, the Trustee may, in its sole discretion, waive the above limitations in respect of all Units tendered for redemption in respect of any one or more Quarterly Redemption Dates.

In addition, for any period not exceeding 120 days during which the Trustee determines that conditions exist which render impractical the sale of assets of the Trust or which impair the ability of the Trustee to determine the value of the assets of the Trust, the Trust may suspend redemptions of its Units. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Trustee of the suspension and that the redemption will be effected at a price determined on the next Quarterly Redemption Date, as applicable, following the termination of the suspension or such other date as the Trustee may determine upon the conditions giving rise to such suspension having ceased to exist or no longer being applicable. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with the rules and regulations promulgated by any governmental body having jurisdiction over the Trust, any declaration of suspension made by the Trustee shall be conclusive.

Reclassification of Units

Holders of any Class of Units have the right (a “**Reclassification Right**”), at their option and from time to time but subject to applicable law and the terms and provisions of the Declaration of Trust, to reclassify all or any part of the then outstanding Units registered in the name of such holder into such number of another Class of Units determined by multiplying the number of Units being reclassified by the percentage determined by dividing (i) the Class Net Asset Value per Unit of the Unit being reclassified by (ii) the Class Net Asset Value per Unit of the Unit held following such reclassification. The Units resulting from the reclassification will have an aggregate Net Asset Value equal to the aggregate Net Asset Value of the Units being reclassified. A Unitholder will not be entitled to any proceeds of disposition upon the reclassification of the Units and the Units being reclassified will not be redeemed or cancelled upon such reclassification.

The Declaration of Trust also provides certain other Classes of Units not offered by this Confidential Offering Memorandum with Reclassification Rights. For details on such Reclassification Rights, please see the Declaration of Trust.

Unitholders who are entitled to exercise their Reclassification Right may do so by providing the Trustee with a notice (the “**Reclassification Request**”) in writing or through the mechanisms of FundSERV specifying (i) that such Unitholder would like to exercise its Reclassification Right; (ii) the number of Units such holder desires to reclassify; and, if applicable, (iii) the Class or Classes of Units such Unitholder desires to hold following such reclassification. Subject to the Unitholder having complied with the terms of the Declaration of Trust and meeting the investment eligibility criteria for the Class of Units such Unitholder desires to hold following the reclassification,

as determined by the Trustee in its sole discretion, such reclassification shall be deemed to have occurred on open of business on the first Business Day of the month following receipt of the Reclassification Request by the Trustee and as soon as practical thereafter the Trustee will deliver or cause to be delivered to such holder a statement of account showing the number of and Classes of Units held by such Unitholder following the reclassification.

The Trust is not required to reclassify any Unit if, in the reasonable opinion of counsel of the Trust, it cannot complete the reclassification in compliance with applicable laws or may become subject to any tax as a result of such reclassification or the delivery of any Units upon such reclassification. The holder of any Unit exercising a Reclassification Right will be responsible for any taxes to which the Trust becomes subject as a result of such reclassification or the delivery of any Units upon such reclassification.

The Trustee will have the right, at its option, but subject to applicable law and the terms and provisions of the Declaration of Trust, to reclassify all or any part of the then outstanding Units registered in the name of any Unitholder if such Unitholder at any time ceases to satisfy the eligibility criteria for a Class of Units that was in place at the time the Unitholder first acquired Units of such Class. If the Trustee exercises its right to reclassify Units such Units will be reclassified into such number of Units of a different Class as determined by multiplying the number of Units being reclassified by the percentage determined by dividing (i) the Class Net Asset Value per Unit of the Unit being reclassified by (ii) the Class Net Asset Value per Unit of the Unit held following such reclassification.

If the Trustee is entitled to exercise its right to reclassify Units it will provide the Unitholder with a notice (“**Reclassification Notice**”) in writing in accordance with the Declaration of Trust or through the mechanisms of FundSERV specifying (i) that the Trustee is exercising its right to require such reclassification; (ii) the number of Units being reclassified; and (iii) the Class of Units such holder will hold following such reclassification. Such reclassification will be deemed to have occurred on the open of business on the first business day of the month following delivery of the Reclassification Notice by the Trustee and the Trustee will deliver to such Unitholder a statement of account showing the number of and Classes of Units held by such Unitholder following the reclassification.

Amendments to Units

Unless otherwise permitted under the Declaration of Trust, amendments to the terms of the Units must be approved by the applicable Unitholders of the Trust in accordance with applicable laws and as set forth under “Item 2.7.1 –Declaration of Trust - Matters Requiring Unitholder Approval”.

Meetings of Unitholders

A meeting of the Unitholders may be called at any time by the Trustee and shall be called by the Trustee upon written request of the Unitholders holding in the aggregate not less than 30% of the Units then outstanding, which request must specify the purpose or purposes for which such meeting is to be called. Notice of any meeting of the Unitholders will be given by the Trustee to each Unitholder. The notice will be mailed by prepaid post at least 15 Business Days and not more than 40 Business Days prior to the meeting and will specify the time and place of the meeting and, in reasonable detail, the nature of all business to be transacted.

Matters Requiring Unitholder Approval

Unless otherwise required by the Declaration of Trust or by law, every question submitted to a meeting of the Unitholders will require the approval by resolution passed by Ordinary Resolution of the Unitholders voting as a single Class thereon. Each Unit will have one vote. If required by applicable law or if the Trustee determines that any matter would affect Unitholders holding one or more particular Class of Units of the Trust in a manner materially different from the Unitholders as a whole of the Trust, the Trustee shall convene separate meetings of Unitholders of that Class. The meetings may be held concurrently and the Unitholders shall be entitled to vote separately as a Class with respect to those matters.

In addition to the foregoing, unless otherwise required by law, the following acts require the approval of Unitholders at a meeting called and held for such purpose. Each Unit will have one vote at such a meeting. Items (a) through (i) require approval by Extraordinary Resolution:

- (a) waive any default on the part of the Trustee on such terms as they may determine and release the Trustee from any claims in respect thereof;

- (b) dissolve the Trust;
- (c) amend the investment objectives of the Trust in any material respect;
- (d) approve any amendment to the Declaration of Trust, including without limitation, to change the nature of the business permitted to be carried on by the Trust or the investment restrictions;
- (e) remove and replace the Trustee;
- (f) approve a reorganization in respect of or pertaining to the Trust, the assets of the Trust, the interests in the Trust or the Units as proposed by the Trustee in connection with acquisition of control by a third party or an arrangement whereby all the Units will be acquired by a third party;
- (g) approve the sale, lease, transfer or other disposition of all or substantially all of the assets of the Trust;
- (h) amend or repeal any Extraordinary Resolution; and
- (i) pass a resolution to authorize and direct the Trustee to consent or withhold consent for matters which the Commercial Trust pursuant to its declaration of trust is seeking from the Trust.

At a meeting of Unitholders, a quorum (except for the purpose of passing an Extraordinary Resolution to remove or terminate the Trustee) constitutes 10% of the outstanding Units, represented by the Trustee and two or more Unitholders who are present in person or by proxy at such meeting. If no quorum is present at such meeting within 30 minutes of the time called for such meeting, if called on the requisition of a Unitholder, the meeting will be terminated and otherwise will be adjourned to be held on the day that is no less than 10 or more than 21 days after the original meeting, at a time and place determined by the Trustee. At the reconvening of any adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum.

Amendments to the Declaration of Trust

The Trustee may, without the approval of or notice to the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority: (i) having jurisdiction over the Trustee or the Trust; (ii) relating to the status of the Trust as a “mutual fund trust” under the *Tax Act*; or (iii) relating to the distribution of Units;
- (b) which, in the opinion of the Trustee, provide additional protection for the Unitholders;
- (c) to cure an ambiguity or to correct or supplement any provision contained herein which in the opinion of counsel to the Trust may be defective or inconsistent with any other provision contained herein, to remove any conflicts or inconsistencies in the Declaration of Trust or to make corrections which are, in the opinion of the Trustee, necessary or desirable and not prejudicial to the Unitholders;
- (d) of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustee, are necessary or desirable and not prejudicial to the Unitholders;
- (e) to insert or amend existing provisions as may be required by lenders to the Trust provided such amendments do not change the proportionate interest of any Unitholders in the Trust and provided that such amendments do not impose a direct obligation on any Unitholders to contribute further capital to the Trust or to give further security or assume further liabilities;
- (f) for the purpose of giving effect to an Ordinary Resolution or an Extraordinary Resolution;

- (g) which, in the opinion of the Trustee, are necessary or desirable: (i) to ensure continuing compliance with IFRS; or (ii) to ensure the Units qualify as equity for purposes of IFRS;
- (h) which, in the opinion of the Trustee, are necessary or desirable to enable the Trust to implement a Trust Unit option or purchase plan or issue Units for which the purchase price is payable in instalments;
- (i) to re-designate any Class of Units into another Class of Units in accordance to the provisions of the Declaration of Trust;
- (j) to bring the Declaration of Trust into conformity with (i) applicable laws, rules and policies of Canadian securities regulators or (ii) current practice within the securities or investment fund industries, provided that any amendment contemplated by (ii) does not adversely affect the economic value of the interests of the Unitholders;
- (k) which, in the opinion of the Trustee, are necessary or desirable for the Trust to qualify for a particular status under, or as a result of changes in, taxation or other laws, or the interpretation of such laws, or to otherwise prevent the Trust or any of its subsidiaries from becoming subject to tax under the SIFT Measures;
- (l) to create one or more additional Classes of Units or other securities as the Trustee deems appropriate and to add provisions setting out the rights and restrictions attached to such newly created Classes of Units and to add relevant provisions to the Declaration of Trust in relation to such newly created Classes of Units; and
- (m) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustee, is not prejudicial to Unitholders and is necessary or desirable.

Distributions

The Trust shall have full discretion respecting the timing and the amount of any distributions. The Trustee may adopt a distribution policy pursuant to which distributions will be made by the Trust to Unitholders, and the Trustee may amend or revoke such distribution policy from time to time.

The Trust intends to make payable to Unitholders all of the Income of the Trust and net realized capital gains of the Trust for each taxation year so that the Trust will not have any liability for tax under Part I of the *Tax Act* in any taxation year, the following amounts will (unless the Trustee otherwise determines), without any further action on the part of the Trustee, be due and payable on December 31 in each such year to the Unitholders of record on such date:

- (a) an amount equal to the amount, if any, by which the Income of the Trust for such year exceeds the aggregate of (i) any such amounts thereof payable to redeeming Unitholders, and (ii) the aggregate of the portions of the distributions paid or payable by the Trust which have been determined by the Trustee to have been payable by the Trust out of the Income of the Trust for such year, if any; and
- (b) an amount equal to the amount, if any, by which the net realized capital gains of the Trust for such year exceeds the aggregate of (i) any such amounts thereof payable to redeeming Unitholders pursuant, and (ii) the aggregate of the portions of the distributions paid or payable by the Trust which have been determined by the Trust to have been payable by the Trust out of net realized capital gains of the Trust for such year, if any.

Where the “**Income of the Trust**” refers, for any taxation year of the Trust, to the net income of the Trust for the year determined pursuant to the provisions of the *Tax Act* having regard to the provisions thereof which relate to the calculation of income of a trust, without reference to paragraph 82(1)(b) and subsection 104(6) thereof, less any non-capital losses of the Trust carried forward from prior taxation years that are deductible in the taxation year (except to the extent that the Trustee determines prior to the end of the taxation year to deduct a lesser amount in respect thereof), and taking into account such other adjustments as may be determined prior to the end of the

taxation year in the discretion of the Trustee; provided, however, that capital gains and capital losses will be excluded from the computation of net income.

The Trustee will be entitled to, deduct or withhold from distributions payable to any Unitholder all amounts required by law to be withheld from such distribution and the Trust shall remit such taxes to the appropriate governmental authority within the times prescribed by law. Unitholders who are Non-Residents will be required to pay all withholding taxes payable in respect of any distributions of income by the Trust, whether such distributions are in the form of cash or additional Units.

The Trustee shall make such elections, designations or other filings for tax purposes in respect of amounts paid or payable to Unitholders for such amounts that the Trustee consider to be reasonable, including, without limitation, elections, designations or other filings relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations, net taxable capital gains of the Trust in the year and foreign source income of the Trust for the year.

There can be no assurance given as to the amount of targeted distributions in the future. There is no assurance that the Trust will meet its investment objectives. See “Item 8 - Risk Factors – No Assurance of Achieving Investment Objectives”. Any distributions payable in respect of the Class UF Units or Class UJ Units will be calculated in Canadian dollars but paid in U.S. dollars. See “Item 5.2 - Subscription Procedure”

Reporting to Unitholders

The Trust will make available to Unitholders, within 60 days after the end of each semi-annual reporting period and within 90 days after the year-end reporting period, financial statements prepared in accordance with applicable law and IFRS. The Trust shall make available to each Unitholder annually, within the time periods prescribed by law, information necessary to enable such Unitholder to complete an income tax return under the *Tax Act* with respect to the amounts payable by the Trust.

Termination of the Trust

The Trust does not have a fixed termination date and shall continue in full force and effect so long as the Trustee holds any property of the Trust. However, the Trust can be terminated at the time specified in a decision to terminate the Trust by an Extraordinary Resolution passed at a meeting of Unitholders called for that purpose.

Calculation of Net Asset Value

For pricing purposes of the Trust, the NAV is calculated at the close of business on the last Business Day of each month (each, a “**Valuation Date**”) by the Valuation Agent.

The NAV of the Trust is the value of the Total Assets of the Trust less the consolidated liabilities of the Trust (excluding any liabilities already deducted in the determination of Total Assets). The NAV per Unit will be published on each Valuation Date.

Reporting of the Net Asset Value

The most recently calculated Trust NAV, Class NAV per Unit and Trust Class NAV is available to Unitholders upon request. The Trust NAV is calculated in Canadian dollars and reported in Canadian dollars (except for Class UF Units and Class UJ Units). The Class Net Asset Value calculated in respect of Class UF Units and Class UJ Units will be calculated in Canadian dollars but will be reported in U.S. dollars based on the then current Exchange Rate. See “Item 5.2 - Subscription Procedure”.

Valuation Principles

The Trustee has adopted the following valuation guidelines for determining the NAV of the Trust and other related values (noting that some of such principles may not be currently directly applicable to the Trust given the nature of the assets held by the Trust).

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, distributions, dividends or other amounts received (or declared to holders of record of securities owned by the Trust on a date before the Valuation Date as of which the Total Assets are being determined, and to be received) and interest accrued and not yet received, will be deemed to be the face amount thereof provided that if the Valuation Agent has determined that any

such deposit, bill, demand note, accounts receivable, prepaid expense, distribution, dividend or other amount received (or declared to holders of record of securities owned by the Trust on a date before the Valuation Date as of which the Total Assets are being determined, and to be received) or interest accrued and not yet received is not otherwise worth the face amount thereof, the value thereof will be deemed to be such value as the Valuation Agent determines to be the Fair Market Value thereof;

- (b) the value of any security, index future or index option which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the Valuation Agent) will be determined by taking the latest available sale price as of the Valuation Date, or lacking any sales on the Valuation Date, the latest available offer price (unless in the opinion of the Valuation Agent such value does not reflect the value thereof and in which case the latest available sale price may be used), as at the Valuation Date, all as reported by any means in common use;
- (c) the value of any security which is traded over-the-counter will be priced at the last bid price quoted by a major dealer (which may be the counterparty) in such securities or as the Valuation Agent determines to be the Fair Market Value;
- (d) the value of any purchased or written clearing corporation options, options on futures or over-the-counter options and listed warrants will be the most recent sale price, market close price or broker quote, as applicable, thereof;
- (e) the value of any security or other asset for which a market quotation is not readily available, including but not limited to development projects/investments, will be valued at its Fair Market Value on the Valuation Date, on which the Total Assets are being determined by the Valuation Agent or the Trustee. Generally, the Valuation Agent will value such asset based on the latest valuation or similar reasonable evidence acceptable to the Trustee showing a clear indication of an increase or decrease in value from the initial acquisition cost, taking into consideration the following adjustment factors (“**Adjustment Factors**”) as deemed appropriate by the Trustee if any:
 - (i) the premium or discount that a portfolio of assets may attract (as compared to aggregation of individual values of each single asset within that portfolio), if any;
 - (ii) portfolio inter-period timing adjustments, if any, and
 - (iii) discretionary adjustments as the Trustee in good faith deem appropriate, if any;
- (f) any market price reported in a currency other than Canadian dollars will be converted into Canadian funds by applying the rate of exchange, in effect on the transaction date, obtained from the best available sources to the Valuation Agent, including, but not limited to, the Valuation Agent or any of its Affiliates;
- (g) listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the Valuation Agent or the Trustee;
- (h) capitalization of certain expenses, whose benefits accrue over a period of time and should be allocated between existing, remaining and incoming Unitholders, or where the value of such expense is not as yet reflected, in whole or in part in the investment portfolio valuation due to timing lags, if any;
- (i) the costs associated with the establishment, structuring and periodic offering of securities of the Trust are attributable to each class of Units on a pro-rata basis, amortized monthly over a period of five years. Selling expenses incurred on a periodic offering of securities are attributable to that particular class of Units and not included within these costs;

- (j) direct investments in private real estate companies and other assets for which no published market exists will be valued at the most recent appraisal or valuation (or if no such appraisal or valuation, at cost as adjusted by the Adjustment Factors, if any), unless a different Fair Market Value is determined to be appropriate by the Valuation Agent or the Trustee.

If an investment cannot be valued under the above guidelines, or if the Valuation Agent or the Trustee, as applicable, determines that the above guidelines are at any time inappropriate under the circumstances, then notwithstanding such guidelines, the Valuation Agent will make such valuation as it considers fair and reasonable in consultation with the Trustee and, if there is an appropriate industry practice, in a manner consistent with such industry practice for valuing such investment.

The Trustee, will review and, if required from time to time, consider the appropriateness of the valuation guidelines adopted by the Trust. As such, at the discretion of the Trustee, the valuation guidelines may be modified, acting reasonably, in good faith and in the best interests of Unitholders. Any material such modification of the valuation guidelines will be disclosed by press release or other timely disclosure document issued by the Trust.

Class Net Asset Value per Unit

The Class Net Asset Value of a Class of Units of the Trust on a Valuation Date is determined in accordance with the following calculation:

- (a) the Class Net Asset Value last calculated for that Class; plus
- (b) the increase in the assets attributable to that Class as a result of the reclassification into, or the issue of, Units of that Class since the last calculation; minus
- (c) the decrease in the assets attributable to that Class as a result of the redemption or reclassification of Units of that Class since the last calculation; plus or minus
- (d) the Proportionate Share of the Change in Non Portfolio Assets attributable to that Class since the last calculation; plus or minus
- (e) the Proportionate Share of the Net Portfolio Transactions attributable to that Class since the last calculation; plus or minus
- (f) the Proportionate Share of market appreciation or depreciation of the portfolio assets attributable to that Class since the last calculation (including as a result in changes to the number of any class of units of the Commercial Trust held by the Trust); minus
- (g) any amounts to be paid by way of distributions to holders of Units of that Class since the last calculation; minus
- (h) any Class Expenses attributable to that Class since the last calculation; minus
- (i) the portion of the Common Expenses attributed to a Class of the Trust.

The “**Class Net Asset Value per Unit**” or “**Class NAV per Unit**” means, in respect of the Units of any particular Class of Units of the Trust on any particular Business Day, the portion of the Net Asset Value of the Trust attributed to each of the Units of such Class of the Trust.

Management of the Trust

The Trustee has exclusive authority to manage the operations and affairs of the Trust, to make all decisions regarding the business of the Trust, to bind the Trust and to admit Unitholders into the Trust in accordance with the Declaration of Trust.

The Trustee is not liable to the Trust or the Unitholders for any mistakes or errors in judgment or for any act or omission believed by it in good faith to be within the scope of authority conferred by the Declaration of Trust, other than certain exceptions as described in the Declaration of Trust. The Trustee will be liable to the Trust for any

costs, damages, liabilities or losses incurred by the Trust as a result of: (i) any act of gross negligence or wilful misconduct by the Trustee, its agents or employees; (ii) the Trustee not acting honestly and in good faith with a view to the best interests of the Trust and the Unitholders; and (iii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee not having reasonable grounds for believing its conduct was lawful.

Investment Restrictions

The Trust is subject to the following investment restrictions as stipulated in the Declaration of Trust that, among other things, limit the investments that may be made by the Trust:

- (a) *the Trust* may not undertake any activity or derive income from any source other than the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable);
- (b) the Trust shall not make any investment, take any action or omit to take any action that would result in Units not being units of a “mutual fund trust” within the meaning of the *Tax Act* or that would result in the Units not being “qualified investments” (within the meaning of the *Tax Act*) for Plans;
- (c) the Trust shall not make or permit any entity controlled by it (including the Commercial Trust) to make any investment that would result in: (i) the Trust, the Commercial Trust or the Partnership (or any of their subsidiaries) being liable to pay a SIFT Tax; or (ii) the Trust ceasing to qualify as a “mutual fund trust” for purposes of the *Tax Act*;
- (d) the Trust will not invest in a corporation that would be a foreign affiliate of the Trust for purposes of the *Tax Act*;
- (e) the Trust will not invest in any security that is a tax shelter investment for purposes of the *Tax Act*; and
- (f) the Trust will not invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Trust would be required to include any significant amounts in income pursuant to section 94.1 of the *Tax Act*, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Trust (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the *Tax Act*, or (iii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an “exempt foreign trust” for the purposes of section 94 of the *Tax Act*.

Unitholder approval is required to change the investment objectives or investment restrictions of the Trust. See “Item 2.7.1 –Declaration of Trust - Matters Requiring Unitholder Approval”.

Fees and Expenses

Trailer Fee

The Trust will pay to the Trustee, who in turn will pay to each registered dealer of the Class A Units, a servicing fee (the “**Trailer Fee**”) equal to a percentage of the Class NAV per Unit in respect of the Class A Units held by clients of the registered dealer (calculated and paid at the end of each calendar quarter), plus applicable taxes. The amount of the Trailer Fee will be determined by the Trustee from time to time. This Trailer Fee will be reflected in the calculation of the Class NAV per Unit in respect of the Class A Units.

Ongoing Expenses

The Trust pays for all ordinary expenses it incurs in connection with the Trust’s operation and management. In addition to the fees and expenses referenced elsewhere in this Confidential Offering Memorandum, these expenses include, without limitation: (a) interest and other costs of borrowed money; (b) fees and expenses of lawyers, accountants, auditors, appraisers and other agents or consultants employed by or on behalf of the Trust or

the Trustee; (c) fees and expenses of the Trustee; (d) fees and expenses connected with the acquisition, disposition and ownership of shares of a corporation; (e) insurance as considered necessary by the Trustee; (f) expenses in connection with payments of distributions of Units of the Trust; (g) expenses in connection with communications to Unitholders and the other bookkeeping and clerical work necessary in maintaining relations with Unitholders; (h) expenses of changing or terminating the Trust; (i) fees and charges of transfer agents, registrars and other trustees and custodians; (j) all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of Units and other required governmental filings; and (k) all costs and expenses in connection with the incorporation or establishment, organization and maintenance of corporations and other entities formed to hold property of the Trust. The Trust is also responsible for all taxes, commissions, brokerage commissions and other costs of real estate transactions, debt service and costs relating to any credit facilities and any extraordinary expenses which it may incur or which may be incurred on its behalf from time to time, as applicable.

Such ordinary expenses are estimated to be approximately \$70,000 per annum.

2.7.2 Limited Partnership Agreement

The rights and obligations of Limited Partners (including the Commercial Trust) are governed by the Limited Partnership Agreement. A copy of the Limited Partnership Agreement may be inspected during business hours at the principal office of the Partnership during the course of distribution of the Units offered hereby.

The following is a summary only of certain provisions in the Limited Partnership Agreement which, together with other summaries of additional terms of the Limited Partnership Agreement appearing elsewhere in this Confidential Offering Memorandum, are qualified in their entirety by reference to the actual text of the Limited Partnership Agreement, a review of which is recommended to Investors.

Matters Requiring LP Unitholder Approval

Approval by the holders of LP Voting Units is required to change the investment objectives or investment restrictions of the Partnership. Since the Trust will, indirectly through its investment in the Commercial Trust, invest only in the LP Non-Voting Units of the Partnership, the Commercial Trust (or the Trust, whichever is applicable) will not be entitled to vote on any matters submitted to a meeting of the Limited Partners as they relate to the Partnership. However, the Limited Partnership Agreement provides that if the number of LP Non-Voting Units exceeds 50% of the total number of LP Units outstanding from time to time, the following powers will only be exercisable if the written consent of the Commercial Trust (or the Trust, whichever is applicable) has been obtained, in addition to any other approvals required under the Limited Partnership Agreement including, without limitation, the approval by Extraordinary Resolution of the LP Voting Unitholders:

- (a) waive any default on the part of the General Partner on such terms as they may determine and release the General Partner from any claims in respect thereof;
- (b) dissolve the Partnership, except as otherwise provided in the Limited Partnership Agreement;
- (c) approve an amendment to the Partnership Management Agreement increasing the fees payable to the Manager thereunder;
- (d) approve any amendment to the Limited Partnership Agreement (except as described below), including without limitation, to change the nature of the business permitted to be carried on by the Partnership or the investment restrictions; and
- (e) remove and replace the General Partner.

Amendments to the Limited Partnership Agreement

The Limited Partnership Agreement may only be amended in writing and with the consent of the LP Unitholders given by Extraordinary Resolution, provided that the following amendments may only be made with the unanimous consent of the Partners:

- (a) any amendment to the provisions relating to the amendment of the Limited Partnership Agreement; and
- (b) any amendment that gives any person the right to dissolve the Partnership other than the General Partner's right to dissolve the Partnership with the approval of the Limited Partners by Extraordinary Resolution.

Calculation of Net Asset Value

For Partnership pricing purposes, the NAV is calculated at the Valuation Date by the Valuation Agent. The NAV of the Partnership is the value of the Total Assets of the Partnership less the consolidated liabilities of the Partnership (excluding any liabilities already deducted in the determination of Total Assets). The NAV per LP Unit will be published on each Valuation Date.

Reporting of the Net Asset Value

The most recently calculated Partnership NAV, Class NAV per LP Unit and Partnership Class NAV is available to the public upon request. The Partnership NAV is calculated in Canadian dollars and reported in Canadian dollars (except for LP Class UF Units and LP Class UJ Units). The Class Net Asset Value calculated in respect of LP Class UF Units and LP Class UJ Units will be calculated in Canadian dollars but will be reported U.S. dollars based on the then current Exchange Rate.

Valuation Principles

In calculating the NAV or Net Asset Value, the Total Assets on such Valuation Date will be determined by reference to the valuation principles set out below and NAV or Net Asset Value will be used to determine Net Asset Value per LP Unit for the purpose of establishing an issue price and redemption price for the LP Units on a Valuation Date. These valuation principles are adopted by referencing generally accepted methodologies that the General Partner and the Manager believe to represent the fair market value ("**Fair Market Value**") of the Total Assets at any particular time of determination, which may differ from carrying values based on IFRS. Net Asset Value per LP Unit is not published in the Partnership's financial statements and these measures are different and distinct from the amount reported as unitholder's equity in the Partnership's financial statements.

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, distributions, dividends or other amounts received (or declared to holders of record of securities owned by the Partnership on a date before the Valuation Date as of which the Total Assets are being determined, and to be received) and interest accrued and not yet received, will be deemed to be the face amount thereof provided that if the Valuation Agent has determined that any such deposit, bill, demand note, accounts receivable, prepaid expense, distribution, dividend or other amount received (or declared to holders of record of securities owned by the Partnership on a date before the Valuation Date as of which the Total Assets are being determined, and to be received) or interest accrued and not yet received is not otherwise worth the face amount thereof, the value thereof will be deemed to be such value as the Valuation Agent determines to be the Fair Market Value thereof;
- (b) the value of any security, index future or index option which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the Valuation Agent) will be determined by taking the latest available sale price as of the Valuation Date, or lacking any sales on the Valuation Date, the latest available offer price on the Valuation Date (unless in the opinion of the Valuation Agent such value does not reflect the value thereof and in which case the latest available sale price may be used), as at the Valuation Date, all as reported by any means in common use;
- (c) the value of any security which is traded over-the-counter will be priced at the last bid price quoted by a major dealer (which may be the counterparty) in such securities or as the Valuation Agent determines to be the Fair Market Value;

- (d) the value of any purchased or written clearing corporation options, options on futures or over-the-counter options and listed warrants will be the most recent sale price, market close price or broker quote, as applicable, thereof;
- (e) the value of any security or other asset for which a market quotation is not readily available (including but not limited to development projects/investments, will be valued at its Fair Market Value on the Valuation Date on which the Total Assets are being determined by the Valuation Agent or the General Partner) generally, the Valuation Agent will value such asset based on the latest valuation or similar reasonable evidence acceptable to the Manager and the General Partner showing a clear indication of an increase or decrease in value from the initial acquisition cost, taking into consideration the following adjustment factors (“**Adjustment Factors**”) as deemed appropriate by the General Partner and the Manager if any:
 - (i) the premium or discount that a portfolio of assets may attract (as compared to aggregation of individual values of each single asset within that portfolio), if any;
 - (ii) portfolio inter-period timing adjustments, if any, and
 - (iii) discretionary adjustments as the General Partner and the Manager in good faith deem appropriate, if any;
- (f) any market price reported in a currency other than Canadian dollars will be converted into Canadian funds by applying the rate of exchange, in effect on the transaction date, obtained from the best available sources to the Valuation Agent, including, but not limited to, the Valuation Agent or any of its Affiliates;
- (g) listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the Valuation Agent or the General Partner;
- (h) capitalization of certain expenses, whose benefits accrue over a period of time and should be allocated between existing, remaining and incoming Unitholders, or where the value of such expense is not as yet reflected, in whole or in part in the investment portfolio valuation due to timing lags, if any;
- (i) the costs associated with the establishment, structuring and periodic offering of securities of the Partnership are attributable to each class of Units on a pro-rata basis, amortized monthly over a period of five years. Selling expenses incurred on a periodic offering of securities are attributable to that particular class of Units and not included within these costs;
- (j) direct investments in private real estate companies and other assets for which no published market exists will be valued at the most recent appraisal or valuation (or if no such appraisal or valuation, at cost as adjusted by the Adjustment Factors, if any), unless a different Fair Market Value is determined to be appropriate by the Valuation Agent or the General Partner.

If an investment cannot be valued under the above guidelines, or if the Valuation Agent or Manager determines that the above guidelines are at any time inappropriate under the circumstances, then notwithstanding such guidelines, the Valuation Agent will make such valuation as it considers fair and reasonable in consultation with the Manager and the General Partner and, if there is an appropriate industry practice, in a manner consistent with such industry practice for valuing such investment.

The Manager and the General Partner, will review and, if required from time to time, consider the appropriateness of the valuation guidelines adopted by the Partnership. As such, at the discretion of the Manager and the General Partner, the valuation guidelines may be modified, acting reasonably, in good faith and in the best interests of Limited Partners. Any material such modification of the valuation guidelines will be disclosed by press release or other timely disclosure document issued by the Partnership.

Class Net Asset Value per LP Unit

The Class Net Asset Value of a Class of LP Units of the Partnership on a Valuation Date is determined in accordance with the following calculation:

- (a) the Class Net Asset Value last calculated for that Class; plus
- (b) the increase in the assets attributable to that Class as a result of the reclassification into, or the issue of, LP Units of that Class since the last calculation; minus
- (c) the decrease in the assets attributable to that Class as a result of the redemption or reclassification of LP Units of that Class since the last calculation; plus or minus
- (d) the Proportionate Share of the Change in Non Portfolio Assets attributable to that Class since the last calculation; plus or minus
- (e) the Proportionate Share of the Net Portfolio Transactions attributable to that Class since the last calculation; plus or minus
- (f) the Proportionate Share of market appreciation or depreciation of the portfolio assets attributable to that Class since the last calculation; minus
- (g) any amounts to be paid by way of distributions to holders of LP Units of that Class since the last calculation; minus
- (h) any LP Class Expenses attributable to that Class since the last calculation; minus
- (i) the portion of the LP Common Expenses attributed to a Class of the Partnership.

The “**Class Net Asset Value per LP Unit**” or “**Class NAV per LP Unit**” means, in respect of the LP Units of any particular Class of LP Units of the Partnership on any particular Business Day, the portion of the Net Asset Value of the Partnership attributed to each of the LP Units of such Class of the Partnership.

Management of the Partnership

The General Partner has exclusive authority to manage the operations and affairs of the Partnership, to make all decisions regarding the business of the Partnership, to bind the Partnership and to admit LP Unitholders into the Partnership in accordance with the Limited Partnership Agreement.

The General Partner has unlimited liability for the undertakings, liabilities and obligations of the Partnership. The General Partner is not liable to the LP Unitholders for any mistakes or errors in judgment or for any act or omission believed by it in good faith to be within the scope of authority conferred by the Limited Partnership Agreement, other than certain exceptions as described in the Limited Partnership Agreement. The General Partner will indemnify the Partnership for any costs, damages, liabilities or losses incurred by the Partnership as a result of an act of gross negligence or wilful misconduct by the General Partner, its agents or employees or of any act or omission not believed by it in good faith to be within the scope of authority conferred by the Limited Partnership Agreement.

Investment Restrictions

The Partnership is subject to the following investment restrictions as stipulated in the Limited Partnership Agreement that, among other things, limit the investments that may be made by the Partnership:

- (a) the Partnership may not undertake any activity or derive income from any source other than the investing of its funds in accordance with its investment objectives and investment strategies described above, in daily interest savings accounts of banks or trust companies and in High Quality Money Market Instruments pending an investment directly or indirectly in real property by the Partnership;

- (b) the Partnership may not hold a direct investment in a general partnership or make or retain an investment in any partnership in circumstances in which any interest in that partnership is a “tax shelter investment” for the purpose of the *Tax Act*;
- (c) the Partnership may not make an investment which, within the knowledge of the General Partner after reasonable enquiry, is contrary to a law which restricts the investments in which the Partnership, the General Partner or the Manager may participate; and
- (d) the Partnership may not borrow money in excess of 40% of the Total Assets, excluding mortgage debts on properties acquired by the Partnership.

Approval of the holders of LP Voting Units is required to change the investment objectives or investment restrictions of the Partnership. Since the Commercial Trust will invest only in the LP Non-Voting Units of the Partnership, the Commercial Trust will not be entitled to vote on matters submitted to a meeting of the Limited Partners, except in limited circumstances. See “Item 2.7.2 – Limited Partnership Agreement – Matters Requiring LP Unitholder Approval”.

Fees and Expenses

Certain fees and expenses payable by the Partnership, will be allocated to the different Classes of LP Units, including the LP Non-Voting Units held by the Commercial Trust, and will thereby affect distributions from the Partnership to the Commercial Trust and from the Commercial Trust to the Trust. Consequently, the fees and expenses payable by the Partnership will indirectly reduce the Class NAV of the Units in the Trust.

Management Fees on the LP Units Offered

There is no management fee payable by the Trust in respect of the Units sold pursuant to this Offering. However, the Manager will receive a management fee (the “**Partnership Management Fee**”) from the Partnership pursuant to the Partnership Management Agreement in respect of the corresponding LP Non-Voting Units sold to the Commercial Trust indirectly as a result of the Offering.

Pursuant to the Partnership Management Agreement, the Manager receives a Partnership Management Fee of (i) 1.50% per annum of the Class NAV (adjusted for Trust Expenses) of the LP Class A NV Units and LP Class F NV Units; and (ii) 1.25% per annum of the Class NAV (adjusted for Trust Expenses) of the LP Class J NV Units, calculated and payable monthly in arrears, plus applicable taxes.

Performance Fee on the LP Units Offered

There is no performance fee payable by the Trust in respect of the Units sold pursuant to this Offering. However, in respect of each annual period (a “**Determination Year**”) ending December 31 (the “**Performance Valuation Date**”), the Manager will be entitled to receive a performance fee (the “**Partnership Performance Fee**”), on a per LP Unit basis, equal to 20% of the amount by which the Total Return (as defined below) of a LP Unit of that year exceeds the amount resulting from multiplying the Hurdle Rate (as defined below) by the High Water Mark of that LP Unit (as defined below).

“**Hurdle Rate**” for all Classes of LP Units except Founders Class LP Units is at 8% per annum and for Founders Class LP Units, it is 10% per annum.

The “**High Water Mark**” for a LP Unit is the higher of the following (after appropriate adjustment for distributions made, and any current or deferred tax liabilities for the relevant annual period):

- (i) the initial issue price of that LP Unit;
- (ii) the Class Net Asset Value per LP Unit on the Performance Valuation Date of the annual period prior to the Determination Year; and
- (iii) the Class Net Asset Value per LP Unit on the Performance Valuation Date of the last annual period in respect of which a Partnership Performance Fee was paid in respect of such LP Unit.

If a LP Unit has not been outstanding for a full year at the time of calculation, the calculation shall be pro-rated proportional to the number of days for which that LP Unit has been outstanding.

Any Partnership Performance Fee payable will be payable by the Partnership to the Manager within 30 days of December 31 of each year, and shall be subject to Harmonized Sales Tax and the aggregate amount of Partnership Performance Fee payable on all LP Units within a Class will be deducted as an expense of the Partnership and such aggregate amount of Partnership Performance Fee will be allocated to that Class of LP Units in the calculation of the Class Net Asset Value of that Class of LP Units.

In calculating the Partnership Performance Fee for any Class of Non-Voting LP Units, any Trust Expenses (as defined above) will be deducted from the Total Return for the applicable class of Non-Voting LP Units. In calculating the High Water Mark for any Class of Non-Voting LP Units, any Trust Expenses will be deducted from the Class Net Asset Value per LP Unit referred to in (ii) or (iii), as applicable, above.

“Total Return” means the return generated on a Class of LP Units, including, but not limited to, income from distributions declared and taxes (current and deferred) allocated to a Partner, as well as the appreciation or depreciation in the Class Net Asset Value per LP Unit, over the calendar period, calculated on December 31st of each year after any deduction of any management fee or trailer fee payable by the Partnership to the Manager pursuant to the Management Agreement.

If a LP Unit has not been outstanding for a full year at the time of calculation, the calculation of the Total Return of such LP Unit shall be annualized based on the number of days for which that LP Unit has been outstanding.

2.7.3 The Management Agreement

The rights and obligations of the Partnership and the Manager are governed by an amended and restated fund management and investment advisory agreement made as of December 11, 2012 between the Partnership and the Manager (the **“Management Agreement”**). A copy of the Management Agreement may be inspected during business hours at the principal office of the Partnership during the course of distribution of the Units offered hereby.

The following is a summary only of certain provisions in the Management Agreement which, together with other summaries of additional terms of the Management Agreement appearing elsewhere in this Confidential Offering Memorandum, are qualified in their entirety by reference to the actual text of the Management Agreement, a review of which is recommended to Investors.

Duties and Services Provided by the Manager

Pursuant to the terms of the Management Agreement, the Manager has been appointed as the sole and exclusive manager of the affairs of the Partnership. In such capacity, the Manager is responsible for the management, investment advisory and day-to-day administration services of the Partnership and, as applicable, any entity which the Partnership may control from time to time. The services to be provided by the Manager under the terms of the Management Agreement include, without limitation: (i) managing, or appointing one or more duly registered investment advisors to manage, the investments of the Partnership, (ii) co-ordinating the preparation of financial statements, (iii) maintaining proper books, accounts and records of the Partnership and its Portfolio, (iv) borrowing cash and/or securities for and on behalf of the Partnership, (v) doing all such other acts or things and entering into all such documents on behalf of the Partnership to seek to achieve the investment objectives of the Partnership. In carrying out its obligations under the Management Agreement, the Manager is required to exercise its powers and discharge its duties diligently, honestly and in good faith and in the best interests of the Partnership, including exercising the standard of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances (the **“standard of care”**).

The Manager will continue as manager until the termination of the Partnership unless (i) the Manager resigns by written notice to the Partnership, (ii) the Manager is removed by written notice given by the Partnership following the occurrence of certain specified events of default (as described below), or (iii) the Manager is removed by written notice given by the Partnership following an Extraordinary Resolution of the Unitholders directing the Partnership to remove the Manager as manager of the Partnership. The following comprise an event of default under the Management Agreement: (i) the bankruptcy or insolvency of the Manager, or if the Manager either voluntarily or under an order of a court of competent jurisdiction makes a general assignment for the benefit of its creditors or

otherwise acknowledges its insolvency; (ii) the Manager's wilful misconduct, bad faith, negligence or breach of its standard of care owed under the Management Agreement, which if capable of being cured, is not cured within 30 days following written notice to the Manager from the Partnership specifying in reasonable detail the nature of such default; or (iii) the Manager no longer holds the licenses, registrations or other authorizations necessary to carry out its obligations thereunder and is unable to obtain them within a reasonable period after their loss. There is no termination of the Manager for breach of its obligations under the Management Agreement unless such breach constitutes wilful misconduct, bad faith, negligence or a breach of the standard of care owed by the Manager.

The Management Agreement contains indemnification provisions whereby the Partnership indemnifies the Manager against any loss (other than loss of profits), expense, damage or injury suffered in the scope of its authority under the Management Agreement, provided the same does not result from wilful misconduct, bad faith, negligence or breach of its standard of care owed under the Management Agreement or a breach of fiduciary duty. In addition, under the Management Agreement, the Manager indemnifies the Partnership against any loss, expense, damage or injury suffered as a result of the Manager's wilful misconduct, bad faith, negligence or breach of its standard of care owed under the Management Agreement.

For its services, the Manager is paid the Management Fee described under "Item 2.7.2 – Limited Partnership Agreement – Fees and Expenses - Management Fees on LP Units Offered". Pursuant to the terms of the Management Agreement, the Manager bears all costs and expenses incurred by the Manager in connection with all salaries, employee expenses, office rent and equipment, and other expenses customarily considered to be overhead expenses.

2.7.4 TD Credit Agreement

The Partnership has entered into an amended and restated credit agreement dated November 16, 2018, as amended by amending agreement no. 1 dated December 18, 2018 (collectively, "**TD Credit Agreement**") between the Partnership and The Toronto-Dominion Bank ("**TD**"). A copy of the TD Credit Agreement may be inspected during business hours at the principal office of the Partnership during the course of distribution of the Units offered hereby. The following is a summary only of certain provisions in the TD Credit Agreement which, together with other summaries of additional terms of the Management Agreement appearing elsewhere in this Confidential Offering Memorandum, are qualified in their entirety by reference to the actual text of the TD Credit Agreement, a review of which is recommended to Investors.

Under the terms of the TD Credit Agreement, the Partnership is permitted to borrow up to \$50 million on a revolving basis (the "**TD Credit Facility**"). The aggregate amount of borrowing by the Partnership under the TD Credit Agreement may not exceed 50% of the aggregate value of the Total Assets of the Partnership determined in accordance with the valuation principles set forth in the Limited Partnership Agreement. The term of the TD Credit Facility will mature on December 27, 2019, except if it is extended by TD in its discretion at the request of the Partnership for further periods of twelve months, subject to the terms of the TD Credit Agreement. The TD Credit Facility is secured by a general security agreement over all of the Partnership's present and after-acquired assets and a general security agreement over all of the present and after-acquired assets of T4Q Securities Trust.

2.7.5 Custodial Agreement

A summary of the provisions of the Custodial Agreement is contained under the heading "Item 2.1.4 – Partnership – The Custodian", which is qualified in its entirety by reference to the actual text of the Custodial Agreement. A copy of the Custodial Agreement may be inspected during business hours at the principal office of the Partnership during the course of distribution of the Units offered hereby.

ITEM 3 – DIRECTORS, MANAGEMENT, PROMOTER AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

No compensation is paid to any person by the Trust or the Trustee. As described above, the business of the Trust is managed by the Trustee. The directors and senior officers of the Trustee primarily involved in the business of the Trust are employees of an affiliate of the Trustee and as such, receive compensation from an affiliate of the Trustee. The following table sets out the approximate portion of the compensation that each of the directors and

senior officers of the Trustee primarily involved in the business of the Trust receives from the affiliate of the Trustee in respect of work and services provided by such person in relation to the business of the Trust.

Name and municipality of principal residence	Positions held and the date of obtaining that position	Compensation paid by the Trust or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of Units of the Trust held after completion of min. Offering⁽¹⁾	Number, type and percentage of Units of the Trust held after completion of max. Offering⁽²⁾
Corrado Russo Toronto, Ontario, Canada	Director, Senior Managing Director, Investments & Global Head of Securities of the Trustee Since July 2012	2018 - \$200,000 ⁽³⁾ 2019 (expected) - \$200,000	Nil ⁽⁴⁾	Nil ⁽⁴⁾
R. Blair Tamblyn Toronto, Ontario, Canada	Director, Chief Executive Officer & Ultimate Designated Person of the Trustee Since July 2008	2018 - \$175,000 ⁽⁵⁾ 2019 (expected) - \$175,000	23,208.12 Class J Units 0.1%	23,208.12 Class J Units 0.1%
Ugo Bizzarri Toronto, Ontario, Canada	Senior Managing Director, Chief Investment Officer & Global Head of Direct and Debt Investment of Timbercreek Since 2015	2018 - \$200,000 ⁽⁶⁾ 2019 (expected) - \$200,000	Nil ⁽⁷⁾	Nil ⁽⁷⁾
Gigi Wong North York, Ontario, Canada	Chief Financial Officer of the Trustee Since June 2016	2018 - \$60,000 ⁽⁸⁾ 2019 (expected) - \$60,000	Nil	Nil

Notes:

- (1) There is no minimum amount of funds to be raised pursuant to the Offering.
- (2) Although there is no maximum amount to be raised pursuant to this Offering, this number assumes an offering of \$240,000,000 by the Trust.
- (3) Represents the approximate portion of the compensation paid by an affiliate of the Trustee to Mr. Russo attributable to his time spent on the activities of the Partnership, the indirect business of the Trust.
- (4) While Mr. Russo does not hold Units of the Trust, he does hold 30,607.07 LP Class J Units (representing approximately 0.2% of the outstanding LP Units) and 4,500.00 LP Founder Units (representing approximately 0.2% of the outstanding LP Units).
- (5) Represents the approximate portion of the compensation paid by an affiliate of the Trustee to Mr. Tamblyn attributable to his time spent on the activities of the Partnership, the indirect business of the Trust.
- (6) Represents the approximate portion of the compensation paid by an affiliate of the Trustee to Mr. Bizzarri attributable to his time spent on the activities of the Partnership, the indirect business of the Trust.
- (7) While Mr. Bizzarri does not hold Units of the Trust, he does hold 29,383.40 LP Class J Units (representing approximately 0.2% of the outstanding LP Units) and 18,000.00 LP Founder Units (representing approximately 0.2% of the outstanding LP Units).
- (8) Represents the approximate portion of the compensation paid by an affiliate of the Trustee to Ms. Wong attributable to her time spent on the activities of the Partnership, the indirect business of the Trust.

3.2 Management Experience

Set forth below is a description of the principal occupation and business experience of each of the directors and officers of the Trustee.

Name	Principal occupation and related experience
Corrado Russo	<p>Senior Managing Director, Investments & Global Head of Securities of Timbercreek</p> <p>Corrado Russo joined Timbercreek in July 2011 and is Senior Managing Director, Investments & Global Head of Securities. Mr. Russo is responsible for managing the global securities platform, including the Timbercreek Global Real Estate Income Fund and the Timbercreek Four Quadrant Global Real Estate Partnership.</p> <p>Mr. Russo has over 20 years of experience in the investment management field, having held positions in portfolio management, equity research and direct real estate investments. Prior to joining Timbercreek, Mr. Russo was an Executive Director and Portfolio Manager of global real estate securities at Forum Securities, a Portfolio Manager of global real estate securities for Citi Property Investors and an Assistant Portfolio Manager of direct real estate for Ontario Teacher's Pension Plan Board.</p> <p>Mr. Russo holds a Masters of Business Administration from the Schulich School of Business, has a Bachelor's degree in Administrative Studies from York University and holds the Chartered Financial Analyst designation.</p>
R. Blair Tamblyn	<p>Director, Chief Executive Officer and Senior Managing Director of Timbercreek</p> <p>Blair Tamblyn co-founded Timbercreek Asset Management in 1999 and is Senior Managing Director & Chief Executive Officer. Mr. Tamblyn is also Chairman of the Board for Timbercreek Financial. In his role as Senior Managing Director & CEO, Mr. Tamblyn is responsible for identifying strategic initiatives, managing global capital markets activities and general oversight of Timbercreek's corporate operations. Mr. Tamblyn is also a member of the Investment Committee.</p> <p>Mr. Tamblyn has over 20 years of experience in public and private capital markets and has led the origination, structuring, capitalization and execution of all public and private Timbercreek funds that currently manage over \$9 billion in assets. Prior to co-founding Timbercreek, Mr. Tamblyn worked at Connor, Clark & Company as a licensed securities trader.</p> <p>Mr. Tamblyn is an independent Director of GreenSpace Brands Inc. and of StorageVault Canada Inc.</p> <p>Mr. Tamblyn holds a Bachelor of Arts in History and Political Science from Western University. Mr. Tamblyn also completed the small/medium sized Enterprise Board Effectiveness Program offered by Rotman and the Institute of Corporate Directors.</p>
Ugo Bizzarri	<p>Director, Chief Investment Officer of Timbercreek</p> <p>Ugo Bizzarri co-founded Timbercreek Asset Management in 1999 and is Chief Investment Officer. Mr. Bizzarri is also a Director of Timbercreek Financial. In his role as Chief Investment Officer, Mr. Bizzarri leads the team responsible for the acquisition & disposition of direct real estate and the underwriting & funding of commercial mortgage investments secured by direct real estate. Mr. Bizzarri and his team have been responsible for underwriting, financing and acquiring over \$5.0 billion of multi-residential real estate and have constructed and managed a diversified debt portfolio of over \$1.3 billion in Timbercreek-sponsored commercial mortgage investments.</p>

Name	Principal occupation and related experience
	<p>Mr. Bizzarri has over 25 years of experience in the valuation, acquisition and disposition of investment-grade cash-flowing real estate. Prior to founding Timbercreek, Mr. Bizzarri was in portfolio management at OTPPB where he played a leadership role in the strategic planning, corporate transactions/restructuring and property acquisitions for the real estate group.</p> <p>Mr. Bizzarri is an independent Director of Cymbria.</p> <p>Mr. Bizzarri is a graduate of the Ivey School of Business and holds the Chartered Financial Analyst designation.</p>
Gigi Wong	<p>Chief Financial Officer of Timbercreek</p> <p>Gigi Wong joined Timbercreek in June 2016 as Chief Financial Officer. Ms. Wong is also Financial Officer of Timbercreek Financial. In her current role as CFO, Ms. Wong is responsible for overseeing financial and taxation reporting, treasury, corporate financings and the financial reporting and risk analytics platform.</p> <p>Ms. Wong has over 20 years of experience in finance and capital markets. Most recently, Ms. Wong was Director of Capital Markets Operations at Ontario Teachers' Pension Plan. Prior to joining OTPP, Ms. Wong was CFO, Chief Compliance Officer & Secretary at CQI Capital Management LP (formerly GMP Investment Management) and prior to that, Director, Investment Finance at GMP Securities LP. Ms. Wong began her career at PwC Canada and developed her asset and risk management experience while executing on mandates at TD Bank, The Healthcare of Ontario Pension Plan and Bank of Montreal.</p> <p>Ms. Wong holds a Bachelor of Arts from Western University where she majored in Financial and Economic studies. Ms. Wong is a Chartered Professional Accountant and holds the Chartered Financial Analyst designation.</p>

3.3 Penalties, Sanctions and Bankruptcy

There are no penalties or sanctions that have been in effect during the last 10 years, or any cease trade orders that have been in effect for a period of more than 30 consecutive days during the past 10 years against (i) a director, executive officer or control person of the Trust or the Trustee, or (ii) an issuer of which a person referred to in (i) above was a director, executive officer or control person at the time.

There have not been any declarations of bankruptcy, voluntary assignments in bankruptcy, proposals under any bankruptcy or insolvency legislation, proceedings, arrangements or compromises with creditors or appointments of receivers, receiver managers or trustees to hold assets, that have been in effect during the last 10 years with regard to any (i) director, executive officer or control person of the Trust or the Trustee, or (ii) issuer of which a person referred to in (i) above was a director, executive officer or control person at that time.

3.4 Loans

None of the directors or officers of the Trustee, or any of the promoters or principal securityholders of the Trust are indebted to the Trust or its affiliates.

3.5 Conflicts of Interest

TIMI is the trustee of the Trust. TIMI is an exempt market dealer, investment fund manager and portfolio manager in certain jurisdictions and the Trust is a connected issuer and related issuer of TIMI in connection with the distribution of securities pursuant to this Offering, which may result in conflict of interest.

TIMI is also the trustee of the Commercial Trust and is the Manager of the Partnership. The Trust intends to invest in non-voting units of the Commercial Trust and the Commercial Trust intends to invest in LP Non-Voting

Units of Partnership and TIMI and its associates (as defined under National Instrument 31-103) may be considered as a partner, officer or director of the Trust, the Commercial Trust and/or the Partnership. Each investor investing in the Trust will be asked to provide his/her/its written consent of the investment by the Trust into the Commercial Trust and into the Partnership (directly or indirectly through the Commercial Trust) through the execution of the Subscription Agreement.

In addition, the Partnership is subject to a number of actual and potential conflicts of interest involving TIMI and its affiliates because TIMI provides discretionary investment management services to other investors, including the Partnership and other investment funds, and TIMI and its affiliates may also invest for their own accounts. Accordingly, the services that are to be provided by TIMI to the Partnership pursuant to the Partnership Management Agreement are not exclusive to the Partnership and the Partnership Management Agreement does not restrict TIMI or its affiliates from establishing additional investment funds, from entering into other advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Trust, the Commercial Trust and/or the Partnership and/or involve substantial time and resources of TIMI. In fact, TIMI currently provides investment advisory services to a number of different clients having significantly more assets than the Trust, the Commercial Trust and/or the Partnership are expected to have in the reasonably foreseeable future and this will preclude TIMI from devoting all of its time and effort to the Trust, the Commercial Trust and/or the Partnership.

For example, TIMI may manage or advise with respect to accounts or funds (including separate accounts and other funds and pooled investment vehicles) that have investment objectives similar to those of the Trust, the Commercial Trust and/or Partnership and may engage in transactions in the same types of securities and instruments as the Trust, the Commercial Trust and/or the Partnership. Such transactions will, except as discussed below, be executed independently of transactions of the Partnership and thus at prices or rates that may be more or less favourable than those obtained by the Trust, the Commercial Trust and/or the Partnership.

In addition, in certain circumstances, it may be in the best interests of the Partnership to purchase or sell securities of, or securities or real estate owned by, entities affiliated with TIMI or its affiliates, officers or directors. In certain circumstances, such purchase or sale may be made other than through market facilities, but any such purchase will only be made at a purchase price which approximates the prevailing market price.

The Trust, the Commercial Trust and the Partnership rely upon or are expected to rely upon TIMI to manage the activities of the Trust, the Commercial Trust and the Partnership, respectively, and to provide managerial skill. The directors and officers of the Manager may have a conflict of interest in allocating their time between the respective businesses and interests of TIMI, and the Trust, the Commercial Trust and the Partnership, and other businesses or projects in which they may become involved. See “Item 8 - Risk Factors - Potential Conflicts of Interests”.

It is the general policy of TIMI that all of its managed accounts that have investment objectives and restrictions that are compatible with a particular investment opportunity should, when practicable, participate pro rata in that investment opportunity based upon, among other things, the relative amount of assets under management in each such account and the relative importance of the investment opportunity to the fulfillment of each such account’s investment objective. Accordingly, TIMI will generally present to the Trust, the Commercial Trust and the Partnership, as applicable, any investment opportunity available to TIMI that is consistent with the investment objectives and restrictions of the Trust, the Commercial Trust and/or the Partnership, as applicable, based upon, and subject to, (i) the amount of assets under management on behalf of the Trust, the Commercial Trust and/or the Partnership relative to the amount of assets under management on behalf of all other accounts of TIMI that have investment objectives and restrictions that are compatible with the investment opportunity, and (ii) the importance of the investment opportunity to the fulfillment of the investment objective of the Trust, the Commercial Trust and/or the Partnership relative to the importance of the investment opportunity to the fulfillment of the investment objectives of such other accounts of TIMI. An assessment of the relative importance of an investment opportunity to the fulfillment of a client account’s investment objectives is dependent upon a number of factors that include the availability of the resources that are required to make the investment, alternative investment opportunities, the composition of the client account’s portfolio at the time, the geographic and industry sector exposure associated with the investment opportunity and the liquidity of the account.

As a result of this fair allocation policy, the Trust, the Commercial Trust and/or the Partnership may, from time to time, be presented with but yet be precluded from participating in an investment opportunity available to TIMI that would otherwise be compatible with the Trust, the Commercial Trust and/or the Partnership’s investment

objectives and restrictions based upon TIMI's assessment of the relative importance of the investment opportunity to each of its managed accounts, including the Trust, the Commercial Trust and the Partnership.

ITEM 4 – CAPITAL STRUCTURE

4.1 Unit Capital

The following table sets out the details of the outstanding Units of the Trust as at April 30, 2019.

Description of Security	Number Authorized to be Issued	Price per Security ⁽¹⁾	Number Outstanding as at April 30, 2019	Number Outstanding after min. Offering ⁽²⁾	Number Outstanding after max. Offering ⁽³⁾
Class A Units	Unlimited	\$10.6133	1,178,283.35	1,178,283.35	5,700,910.62 ⁽⁴⁾
Class F Units	Unlimited	\$10.9338	12,363,283.51	12,363,283.51	16,753,340.03 ⁽⁴⁾
Class J Units	Unlimited	\$10.9915	15,905,452.64	15,905,452.64	20,272,463.51 ⁽⁴⁾
Class UF Units	Unlimited	\$10.00	nil	nil	4,800,000 ⁽⁴⁾
Class UJ Units	Unlimited	\$10.00	nil	nil	4,800,000 ⁽⁴⁾

Notes:

- (1) The price per security is based on the Class NAV per Unit for the applicable Class of Units as at April 30, 2019. See "Item See "Item 2.7.1 – Declaration of Trust – Calculation of Net Asset Value - Class Net Asset Value per Unit".
- (2) There is no minimum amount of funds to be raised pursuant to the Offering.
- (3) Although there is no maximum amount to be raised pursuant to this Offering, this number assumes an offering of \$240,000,000 by the Partnership.
- (4) Assumes that the Offering funds to be raised pursuant to the Offering are distributed evenly between each of the Classes of Units being offered pursuant to the Offering and that the price per security remains the Class NAV per Unit for the applicable Class of Units as at April 30, 2019.

The Trustee may, without the approval of or notice to the Unitholders, create additional Classes of Units at any time by amending the Declaration of Trust and in doing so, the Trustee, where applicable, fix before issuance the initial consideration per Unit and the designation of and the provisions attaching to the Units of each such Class.

4.2 Long Term Debt Securities

As of the date hereof, the Trust, indirectly through the Partnership, has the following long term debt outstanding:

Description of Long Term Debt	Interest rate	Repayment terms	Amount Outstanding as at April 30, 2019	Principal and Interest Payments due within 12 months
TD Credit Facility (secured) ⁽¹⁾	3.95%	Matures on December 27, 2019	\$35,000,000	\$36,382,000 ⁽²⁾

Notes:

- (1) See "Item 2.7.4 – TD Credit Agreement".
- (2) Assuming that no further amounts are advanced to the Partnership under the TD Credit Facility and that the principal amount outstanding and the interest rate as at April 30, 2019 remain unchanged for the 12 month period following April 30, 2019.

4.3 Prior Sales

The following table sets forth a description of the Units issued within the past 12 months.

Date of Issuance (m/d/y)	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
05/01/18	Class A Unit	17,850.03	\$ 10.04	\$ 179,300.00
05/01/18	Class F Unit	152,293.62	\$ 10.25	\$ 1,561,131.40
05/01/18	Class J Unit	150,060.53	\$ 10.28	\$ 1,541,946.99
06/01/18	Class A Unit	35,465.48	\$ 10.08	\$ 357,336.00
06/01/18	Class F Unit	406,901.85	\$ 10.29	\$ 4,187,101.47
06/01/18	Class J Unit	95,752.83	\$ 10.32	\$ 988,015.96
07/02/18	Class A Unit	23,903.36	\$ 10.12	\$ 242,000.00
07/02/18	Class F Unit	687,826.81	\$ 10.35	\$ 7,117,425.50
07/02/18	Class J Unit	520,209.33	\$ 10.38	\$ 5,400,032.93
08/01/18	Class A Unit	54,036.89	\$ 10.25	\$ 553,629.56
08/01/18	Class F Unit	584,647.15	\$ 10.48	\$ 6,125,991.31
08/01/18	Class J Unit	205,707.60	\$ 10.52	\$ 2,163,324.00
09/03/18	Class A Unit	65,452.94	\$ 10.23	\$ 669,275.97
09/03/18	Class F Unit	534,143.95	\$ 10.47	\$ 5,590,404.04
09/03/18	Class J Unit	293,685.09	\$ 10.51	\$ 3,086,248.48
10/01/18	Class A Unit	20,977.63	\$ 10.14	\$ 212,773.98
10/01/18	Class F Unit	466,468.22	\$ 10.39	\$ 4,846,371.60
10/01/18	Class J Unit	628,430.13	\$ 10.43	\$ 6,555,406.06
11/01/18	Class A Unit	19,559.32	\$ 10.23	\$ 200,013.63
11/01/18	Class F Unit	677,337.95	\$ 10.48	\$ 7,099,450.00
11/01/18	Class J Unit	214,694.63	\$ 10.53	\$ 2,260,927.68
12/03/18	Class A Unit	45,868.46	\$ 10.36	\$ 475,000.00
12/03/18	Class F Unit	800,101.79	\$ 10.62	\$ 8,497,481.08
12/03/18	Class J Unit	308,883.87	\$ 10.67	\$ 3,296,099.75
01/02/19	Class A Unit	26,977.46	\$ 10.36	\$ 279,500.00
01/02/19	Class F Unit	711,117.64	\$ 10.63	\$ 7,562,025.02
01/02/19	Class J Unit	246,411.18	\$ 10.69	\$ 2,633,322.34
02/01/19	Class A Unit	10,946.58	\$ 10.49	\$ 114,822.00
02/01/19	Class F Unit	1,349,052.37	\$ 10.77	\$ 14,534,960.02
02/01/19	Class J Unit	728,308.21	\$ 10.69	\$ 7,887,004.11
03/01/19	Class A Unit	75,095.10	\$ 10.48	\$ 787,237.00
03/01/19	Class F Unit	1,569,879.74	\$ 10.77	\$ 16,921,397.30

Date of Issuance (m/d/y)	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
03/01/19	Class J Unit	554,390.97	\$ 10.83	\$ 6,006,325.92
04/01/19	Class A Unit	107,003.92	\$ 10.58	\$ 1,132,133.54
04/01/19	Class F Unit	1,296,349.56	\$ 10.89	\$ 14,114,135.43
04/01/19	Class J Unit	1,489,936.08	\$ 10.94	\$ 16,306,009.41

ITEM 5 – SECURITIES OFFERED

5.1 Terms of Securities

5.1.1 Unit Attributes

Voting

Each Unitholder is entitled to one vote for each Unit held. Unitholders have no voting rights in respect of securities held by the Trust.

Class Net Asset Value

The distinguishing characteristic of each Class of Units relates to the different fee structure applicable to such Class. See “Item 2.7.1 – Declaration of Trust – Calculation of Net Asset Value”, “Item 2.7.1 – Declaration of Trust – Fees and Expenses” and “Item 5.2 - Subscription Procedure”.

Distributions

Subject to the provisions of the Declaration of Trust, each Unit shall entitle the holder thereof to participate pro rata with respect to all distributions of the same Class, and, upon liquidation of the Trust to participate pro rata with the Unitholders of the same Class in the Class Net Asset Value of the Trust remaining after the satisfaction of outstanding debts, liabilities and liquidation or termination expenses of the Trust. Distributions are allocated among each Class of Units in such manner and at such times as the Trustee considers appropriate and equitable. See “Item 2.7.1 – Declaration of Trust – Distributions” and “Item 5.2 - Subscription Procedure”.

The Trust generally intends to make a monthly cash distribution to Unitholders of record on the last Business Day of each calendar month (each, a “**Distribution Record Date**”). The Trust intends to pay distributions on or before the second Business Day of the month following each Distribution Record Date (each, a “**Distribution Payment Date**”). Investors who purchase Units pursuant to this Offering on a Closing Date will only be entitled to a distribution in respect of such Units for Distribution Record Dates occurring after the closing of the issuance of such Units.

Redemption and Reclassification

Subject to the provisions of the Declaration of Trust, Unitholders have the right to redeem the Units as set out in this Confidential Offering Memorandum. See “Item 2.7.1 – Declaration of Trust – Quarterly Redemptions” and “Item 5.2 - Subscription Procedure”. Subject to the provisions of the Declaration of Trust, Holders of certain Units have the right to elect to reclassify such Units into other Classes of Units as set out in this Confidential Offering Memorandum. See “Item 2.7.1 – Declaration of Trust - Reclassification of Units”.

5.1.2 Status of the Trust

At no time may Non-Residents be the beneficial owners of more than 49% of the Units then outstanding. The Trustee may require declarations as to the jurisdictions in which beneficial owners of Units are resident for the purposes of the *Tax Act*. If the Trustee becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustee may make a public announcement thereof and the transfer

agent of the Trust will not accept a subscription for Units from or issue Units to a person unless the person provides a declaration that the person is a Resident.

In addition, if the Trustee determines that more than 49% of the Units are held by Non-Residents, the Trustee may send a notice to Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustee may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustee with satisfactory evidence that they are not Non-Residents within such period, the Trustee may, on behalf of such Unitholders sell such Units without further notice and, in the interim, must suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders shall cease to be holders of Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Trustee which is unpaid and owing to such Unitholders. The Trustee shall have no liability for the amount received provided that they act in good faith.

5.1.3 Distribution Reinvestment Plan

The Trust has adopted a DRIP entitling holders of Units who are (i) Residents; and (ii) an “accredited investor” as defined in NI 45-106 (“**Eligible Holders**”), to elect to automatically reinvest all of the cash distributions paid on Units held by them in additional Units of the same Class in accordance with the terms and conditions set out therein. The DRIP is administered by the Trustee. The following is a summary of the terms of the DRIP only, and is qualified in its entirety by reference to the full text of the DRIP, a copy of which can be obtained from the Trustee.

Participation in the DRIP

Participation in the DRIP is restricted to Eligible Holders. Each Unit offered hereby is offered by the Trust as a basket together with the right for Eligible Holders to elect to participate in the DRIP. In order to participate in the DRIP, Eligible Holders must enroll in the DRIP (or be deemed to have enrolled in the DRIP) and exercise their right to participate in the DRIP (or be deemed to have exercised their right to participate in the DRIP). Each Unit offered hereby will, upon purchase by an Eligible Holder, automatically be enrolled in the DRIP and each Eligible Holder will, upon purchase of Units, be deemed to have elected to exercise their right to participate in the DRIP, and therefore to have all distributions paid on all Units held by such Eligible Holder automatically reinvested in Units of the Class of Units on which the distribution was paid, unless the Eligible Holder indicates its intention not to elect to participate in the DRIP in the Subscription Agreement submitted to the Trustee in connection with a subscription for Units.

Participation in the DRIP allows Eligible Holders to acquire further Units of the Class already owned by such Eligible Holders by directing the Trustee to apply all cash distributions arising from or in connection with the Units held or acquired by such Eligible Holder to purchase further Units of the same Class at a subscription price for each Unit equal to the Class NAV per Unit (the “**Distribution Purchase Price**”) on the last day of the month immediately prior to the date of the relevant Distribution Record Date.

The Trustee will apply all cash distributions arising from or in connection with all Units held by Eligible Holders who have elected or been deemed to have elected to participate in the DRIP to purchase further Units of the same Class at the relevant Distribution Purchase Price each time the Trust makes a cash distribution until the Eligible Holder provides the Trustee with written notice of termination in accordance with the terms of the DRIP. If an Eligible Holder elects in the Subscription Agreement not to participate in the DRIP such Eligible Holder can at any time elect to participate in the DRIP by sending a copy of the DRIP Exercise Form, a copy of which is attached to the DRIP, to the Trustee in accordance with the instructions contained therein.

Once an Eligible Holder has elected, or been deemed to have elected, to participate in the DRIP, all future cash distributions paid on Units held by such Eligible Holder will automatically be reinvested in additional Units of the same Class in accordance with the terms and conditions of the DRIP until the Eligible Holder terminates their participation in the DRIP or until the DRIP is suspended or terminated.

Termination of Participation in the DRIP

Eligible Holders who are Registered Unitholders and who have elected, or been deemed to have elected, to participate in the DRIP (“**Plan Participants**”) may voluntarily terminate their participation in the DRIP as of a particular Distribution Record Date by delivering written notice of their intention to terminate their participation in

the DRIP to the Trustee at least five Business Days prior to the relevant Distribution Record Date. If such notice or termination request is received by the Trustee after the foregoing deadline, the termination shall be processed promptly following the next Distribution Record Date. Beginning on the first Distribution Payment Date after such termination is effective, distributions to such Plan Participant will be made in cash. Plan Participants that are Non-Registered Unitholders should contact the intermediary who holds their Units to receive instructions as to how to terminate their participation in the DRIP.

The Trustee reserves the right to refuse participation in the DRIP to, or terminate the participation of, any person, in the Trust's sole opinion, (a) who is participating in the DRIP primarily with a view to arbitrage trading, (b) who is participating in the DRIP as part of a scheme to avoid applicable legal requirements or engage in unlawful behavior, (c) who has been artificially accumulating the Trust's securities, for the purpose of taking undue advantage of the DRIP to the Trust's detriment, or (d) whose participation in the DRIP is a detriment to the Trust or the Unitholders.

The Trustee may deny the right to participate in the DRIP to any person or terminate the participation of any Plan Participant if the Trustee deems it advisable under any laws or regulations. The Trustee also reserves the right, in its sole discretion, to pay any distribution paid on a Plan Participant's Units to the Plan Participant in cash.

Participation in the DRIP will not be affected by a Plan Participant's death or incompetence. Participation will remain effective until it is terminated in accordance with the provisions of the DRIP.

Administration of DRIP

On each Distribution Payment Date, the Trustee shall, on behalf of each Plan Participant, use the distribution paid on such Plan Participant's Units to purchase from the Trust additional Units of the same Class on which the distributions were paid at a subscription price for each such Unit equal to the distribution Purchase Price. The Trust will issue to each Plan Participant on the Distribution Payment Date, for each Class of Unit held by such Plan Participant, such number of Units of that Class equal to the distribution paid on the Units of such Class held by such Plan Participant divided by the Distribution Purchase Price. Fractional Units, calculated to four decimal places, may be issued for any amount that cannot be reinvested in whole Units.

Units issued by the Trustee under the DRIP will be issued in the name of the Registered Unitholder or in case of Non-Registered Unitholder, the Intermediary, of the Units upon which the distribution was declared and will be represented by a book entry in a book-based system maintained by or on behalf of the Trustee. Certificates evidencing ownership of the Units will not be issued to Unitholders, unless requested.

As soon as reasonably practicable after each Distribution Payment Date, a statement of account will be sent to each Plan Participant (or, in the case of beneficial holders, the nominee holding the registered interest in the Plan Participant's Units) by or on behalf of the Trustee setting out the amount of the relevant distribution reinvested, the applicable Distribution Purchase Price and the number of Units purchased under the DRIP by such Plan Participant on the Distribution Payment Date, computed to four decimal places.

Administrative Costs

All administrative costs of the DRIP, including any fees and other expenses incurred by the Trustee in carrying out its duties hereunder, will be borne by the Trust.

Use of Proceeds

Proceeds received by the Trust upon the purchase of Units under the DRIP will be invested in accordance with the investment objectives described in the Declaration of Trust.

Responsibilities of the Trust and the Trustee

Neither the Trust nor the Trustee are or will be liable for any act done by either of them in good faith or for any good faith omission to act in connection with the operation of the DRIP. In particular, neither the Trust nor the Trustee will have any liability with respect to: (i) the Distribution Purchase Price or the timing of the Distribution Record Date or the Distribution Payment Date; or (ii) any action or responsibilities of any Intermediaries in relation to the DRIP. Plan Participants should recognize that neither the Trust nor the Trustee can assure a gain or protect against a loss as a result of Plan Participant's participation in the DRIP.

Rules and Regulations

The Trustee may from time to time adopt rules and regulations to facilitate the administration of the DRIP. The Trust reserves the right to regulate and interpret the DRIP as it deems necessary or desirable to ensure the efficient and equitable operation of the DRIP.

Certain Limitations

A Unitholder may not transfer the right to participate in the DRIP to another person.

Subject to applicable law and regulatory policy, the Trustee reserves the right to determine, from time to time, a minimum number of Units that an Eligible Holder must hold in order to be eligible to participate in, or continue to participate in, the DRIP, if any. Without limitation, the Trustee further reserves the right to refuse participation in the DRIP to, or terminate the participation of, any person, in the Trustee's sole opinion, (a) who is participating in the DRIP primarily with a view to arbitrage trading, (b) who is participating in the DRIP as part of a scheme to avoid applicable legal requirements or engage in unlawful behavior, (c) who has been artificially accumulating the Trust's securities, for the purpose of taking undue advantage of the DRIP to the Trust's detriment, or (d) whose participation in the DRIP is a detriment to the Trust or the Unitholders.

The Trustee may also deny the right to participate in the DRIP to any person or terminate the participation of any Plan Participant if the Trust deems it advisable under any laws or regulations.

Under the Declaration of Trust, the Trust is authorized to issue an unlimited number of certain Classes of Units.

Amendments, Suspension or Termination of the DRIP

The Trustee may amend, modify or suspend the DRIP at any time in its sole discretion, provided that the Trustee complies with requirements imposed by applicable regulatory authorities from time to time and gives notice of that amendment, modification or suspension to Plan Participants, except that no notice will be given to Plan Participants regarding any amendments to the DRIP intended to cure, correct or rectify any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions. The DRIP will terminate automatically upon the dissolution of the Trust.

The Trust is not required to issue any Units hereunder if such issuance would be illegal.

5.2 Subscription Procedure

Investors may purchase all Classes of Units through qualified representatives who will process orders by electronic means through FundSERV Inc. provided that the eligibility criteria for the Class of Units is met. Investors purchasing Class J Units or Class UJ Units pursuant to the employee, executive officer, director and consultant exemption set out in NI 45-106 ("**Eligible Employees**") must purchase through qualified representatives who will process orders by electronic means through FundSERV Inc. Investors may also purchase Class F, Class J Units, Class UF Units and Class UJ Units directly through the Trustee at its principal office or such other address as specified by the Trustee by courier, email or telecommunication facilities provided that the eligibility criteria for the Class of Units is met (excluding Eligible Employees). A closing under this Offering shall occur on the first business day of any month or such other time as the Trustee may determine from time to time (each a "**Closing Date**").

Purchases made through qualified representatives may be effected through the settlement network operated by FundSERV Inc. using the following codes:

Class A Units: TBR600

Class F Units: TBR601

Class J Unit: TBR603

Class UF Units: TBR604

Class UJ Units: TBR605

Investors who wish to purchase Units will be required to enter into a Subscription Agreement with the Trust in the form prescribed by the Trust from time to time (the "**Subscription Agreement**"). The Subscription Agreement contains, among other things, representations and warranties required to be made by the Investor in

respect of the purchase. Units will only be sold to individuals, corporations and trusts that are permitted to purchase them under applicable securities laws and who certify in the Subscription Agreement that such purchaser, or any ultimate purchaser for which such purchaser is acting as agent is an “accredited investor”, as that term is defined in NI 45-106, or is purchasing pursuant to the minimum amount investment exemption (applicable only in British Columbia, Ontario and Québec), the employee, executive officer, director and consultant exemption (applicable only in Ontario) or the offering memorandum exemption (applicable only in British Columbia) set out in NI 45-106 and other conditions for such exemptions are satisfied.

Investors should carefully review the terms of the Subscription Agreement for more detailed information concerning the rights and obligations applicable to Investors, the Trustee and the Trust. Execution and delivery of a Subscription Agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf.

To acquire Units of the Trust, an Investor must:

- (a) complete and sign the form of Subscription Agreement relevant to the Class being purchased specifying the investment amount and Class of Units being subscribed for (the Trust reserves the right to use different forms of Subscription Agreements for different Investors) and whether, if such Investor is an Eligible Holder, such Eligible Holder elects not to participate in the DRIP together with all applicable forms and certificates as contemplated under the Subscription Agreement (including but not limited to those set out in Schedule A to the Subscription Agreement);
- (b) deliver or make arrangements to make available, no later than 5:00pm (Toronto time) at least two Business Days prior to the Closing Date, payment of the subscription price for the Units subscribed for, either directly or through his or her qualified representative, to the Trustee by the manner presented by the Subscription Agreement; and
- (c) deliver to the Trustee those documents outlined in (a) to (b) above (as applicable) and any other forms, declarations and documents as may be required by the Trustee or the Investor’s qualified representative to complete the subscription.

Units may be purchased as at any Closing Date at a purchase price per Unit equal to the applicable Class NAV per Unit, if the Trustee receives or arrangements have been made to make available through the facilities of FundSERV or directly the required payment no later than 5:00 p.m. (Toronto time) at least two Business Days prior to the Closing Date. The subscription price per Unit will be an amount equal to the Class NAV per Unit on the last Business Day prior to the Closing Date. The subscription price for the Class A Units, Class F Units and Class J Units will be payable in Canadian dollars. The subscription price for the Class UF Units and Class UJ Units will be determined in Canadian dollars but will be payable in U.S. dollars based on the closing exchange rate published by the Bank of Canada (the “**Exchange Rate**”) on the last Business Day prior to the Closing Date. On or after the Closing Date, the aggregate subscription price received from Investors who invest in Class UF Units or Class UJ Units will be converted into Canadian dollars based on the Exchange Rate on the last Business Day prior to the Closing Date and such proceeds will be invested by the Trust, as applicable, in the corresponding Class F non-voting units or Class J non-voting units of the Commercial Trust. Any distributions payable in respect of the Class UF Units or Class UJ Units will be calculated in Canadian dollars and will be paid in U.S. dollars based on the Exchange Rate on the date on which the distribution is paid to holders of Class UF Units or the Class UJ Units, as applicable. In addition, the Class Net Asset Value for the Class UF Units and the Class UJ Units will, on a monthly basis, be calculated in Canadian dollars and will be reported in U.S. dollars based on the Exchange Rate on the applicable Valuation Date on which the Class Net Asset Value is calculated (the “**US Dollar Class Net Asset Value**”). Any redemption price payable in respect of Class UF Units or Class UJ Units will be paid in U.S. dollars based on the applicable US Dollar Class Net Asset Value.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part by the Trustee and the Trustee reserves the right to close the subscription books at any time without notice. A subscription for Units hereunder is subject to acceptance of a Subscription Agreement by the Trust and compliance with applicable securities laws.

Proceeds received from Investors who purchase Units under this Offering will be held in trust and only released against the issuance of the Units subscribed for. In the event the Offering is terminated prior to closing, the

proceeds under this Offering received from each Investor shall be returned to such Investor without interest or deduction.

Settlement of the subscription price for Units purchased through FundServ Inc. will transact through FundServ Inc. three Business Days after monthly closings.

Units purchased pursuant to this Offering will be issued by the Administrator on behalf of the Trust only after the settlement of the subscription price has been completed.

Units issued by the Administrator will be represented by a book entry in a book-based system maintained by the Administrator on behalf of the Trustee. Certificates evidencing ownership of the Units will not be issued to Unitholders unless specifically requested.

5.3 Minimum Subscription Amount

The minimum amount of Class A Units, Class F Units and Class UF Units that may be subscribed for by any one Investor is \$5,000.

The minimum subscription amount for Class J Units and Class UJ Units is \$5,000,000 unless the subscriber is an Eligible Employee as approved by the Trustee or the Trustee determines otherwise (such minimum subscription amount for Class J Units and/or Class UJ Units to be satisfied either on a per Investor basis or through the aggregation of certain subscriptions of Investors that have been effected by an advisor or dealer for the \$5,000,000 subscription threshold).

An Investor will become eligible to hold Class J Units or Class UJ Units (as applicable) once the aggregate value of all Class F Units or Class UF Units (as applicable) held by all investor accounts of an investment advisor (an “**Advisor Group**”) is at least \$5,000,000. The investment advisor must provide the Trust with written notice (the “**Advisor Notice**”) that the \$5,000,000 threshold has been met and disclose the investor accounts that qualify to be part of the Advisor Group. The Trust will reclassify all of the Class F Units or Class UF Units (as applicable) held by the Investors in the Advisor Group into Class J Units or Class UJ Units (as applicable) on the first day of the month immediately following the month in which the Advisor Notice was accepted by the Trust (the “**participation date**”). After the participation date, the aggregate value of all Class J Units or Class UJ Units (as applicable) held by an Advisor Group must be at least \$5,000,000 at all times. If, after the participation date, an Advisor Group falls below the \$5,000,000 threshold the Trust will provide written notice to the investment advisor of such Advisor Group and the investment advisor will have a period of 90 days to remedy the default. The first business day following the date on which this threshold is met will be the new participation date in respect of the investment advisor’s Advisor Group. If the Advisor Group fails to meet this threshold after such 90 days period, the Trust will immediately reclassify all of the Class J Units or Class UJ Units (as applicable) held by the Advisor Group into Class F Units or Class UF Units (as applicable). For further details of such Reclassification Rights see “Item 2.7.1 – Declaration of Trust - Reclassification of Units”.

The calculation of the total investments of an Advisor Group or any one Investor, as applicable, for the purposes of determining whether the Advisor Group or any one Investor, as applicable, maintains the \$5,000,000 threshold and remains eligible to hold Class J Units or Class UJ Units (as applicable) will be made as follows:

- (a) only redemptions will decrease the amount of total investments of a particular Advisor Group or Investor, as applicable, for the purposes of the calculation;
- (b) market value fluctuations will not result in increases or decreases of the amount of total investments of a particular Advisor Group or Investor, as applicable, for the purposes of the calculation; and
- (c) additional subscriptions will increase the amount of total investments of a particular Advisor Group or Investor, as applicable, including as a result of participation in the DRIP.

If an Investor who was eligible to subscribe for Class J Units or Class UJ Units because such Investor qualified as an Eligible Employee, ceases to be an Eligible Employee, the Trust will provide written notice to the Investor that the Trust will immediately reclassify all of the Class J Units or Class UJ Units held by such Investor into Class F Units or Class UF Units, as applicable. For further details of such Reclassification Rights see “Item 2.7.1 – Declaration of Trust - Reclassification of Units”.

The reclassified Units will be subject to the fees and other terms and conditions applicable to Class F Units, Class J Units, Class UF Units or Class UJ Units, as applicable. See “Item 2.7.1 – Declaration of Trust - Fees and Expenses”.

ITEM 6 - CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

You should consult your own professional advisors to obtain advice on the tax consequences that apply to you. All Investors are responsible for the preparation and filing of their own tax returns in respect of this investment. Costs associated with the preparation and filing of such returns may be material.

In the opinion of McCarthy Tétrault LLP, counsel to the Trust, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a Unitholder who is an individual (other than a trust) who acquires the Units pursuant to this Offering and who, for purposes of the *Tax Act* and at all relevant times, is, or is deemed to be, resident in Canada, deals at arm’s length and is not affiliated with the Trust, Commercial Trust and the Partnership and holds the Units as capital property. Generally, the Units will be considered to be capital property to a Unitholder provided such Units are not held in the course of carrying on a business of buying and selling securities and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units and all other “Canadian securities”, as defined in the *Tax Act*, owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the *Tax Act*. Unitholders interested in making this election should consult their own tax advisors for advice as to whether the election is available and advisable, having regard to their own particular circumstances.

This summary is not applicable to a Unitholder that enters into a “derivative forward agreement” with respect to their Units (as defined in the *Tax Act*). This summary does not address the tax considerations of a Unitholder borrowing money to acquire Units. All such Unitholders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units.

This summary is based upon the provisions of the *Tax Act* and the Regulations in force as of the date hereof and on counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (“CRA”) published in writing by the CRA prior to the date hereof. This summary takes into account all specific proposals to amend the *Tax Act* and the Regulations which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposal**”). This summary assumes the Tax Proposals will be enacted in the form proposed. There can be no assurance that the Tax Proposals will be implemented in their current form or at all. There can be no assurance that CRA will not change its administrative policies and assessing practices. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action. This summary also does not take into account other federal or provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is based on the facts disclosed herein and assumes that the Trust currently qualifies and will continue to qualify as a “mutual fund trust” as defined in the *Tax Act* at all times. If the Trust were not to qualify as a mutual fund trust at all times, the Canadian federal income tax considerations could be materially and adversely different from those described in this summary.

This summary is also based on the assumption that the Trust will at all times comply with its investment restrictions and will at no time be a SIFT trust as defined in the SIFT Measures. The *Tax Act* contains provisions (the “**SIFT Measures**”) that tax certain publicly-traded or listed trusts and partnerships in a manner similar to corporations and tax certain distributions from such trusts and partnerships as taxable dividends from a taxable Canadian corporation. These rules apply only to “SIFT trusts”, “SIFT partnerships” (each as defined in the *Tax Act*) and their investors. Provided the Units of (and any others investments in) the Trust are not listed or traded on any stock exchange or other public market the Trust should not be subject to the SIFT Measures. It is further assumed that, at no time, will the Commercial Trust be a “SIFT trust” nor will the Partnership be a “SIFT partnership” such that the SIFT Measures will not apply to any such entity. If the Trust or any subsidiary (including the Commercial Trust and/or the Partnership) were subject to the SIFT Measures at any time the income tax considerations could be materially and adversely different from those described in this summary.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the particular circumstances applicable to each Unitholder. Accordingly, this summary is of a general nature only and is not and is not intended to be legal or tax advice to any particular Unitholder. Unitholders should consult their own tax advisors for advice with respect to the tax consequences of an investment in Units having regard to their particular circumstances.

All foreign currency amounts relevant in computing any amount under the *Tax Act* must be determined for purposes of the *Tax Act* in Canadian dollars at the appropriate exchange rate prevailing on the date of the relevant transaction in accordance with the rules in the *Tax Act*. The Trust may realize income, gains or losses by virtue of the fluctuation in the value of foreign currency relative to Canadian dollars. Similarly, Unitholders that hold Units denominated in U.S. dollars may realize income, gains or losses by virtue of the fluctuation in the value of foreign currency relative to Canadian dollars.

6.1 Taxation of the Trust

The Trust will be subject to tax under Part I of the *Tax Act* on its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of amounts paid or payable to Unitholders in the taxation year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the Trust or if the Unitholder is entitled in that year to enforce payment of the amount.

In computing its income for purposes of the *Tax Act*, the Trust may generally deduct reasonable administrative costs, interest and other expenses of a current nature incurred by it for the purpose of earning income. The Trust may also deduct on a five-year straight line basis (subject to pro-rata for short taxation years) reasonable expenses incurred by it in the course of issuing Units.

Counsel has been advised that it is the present intention of the Trustee to make distributions in each year to Unitholders in an amount sufficient to ensure that the Trust generally will not be liable for tax under Part I of the *Tax Act* in any year (after taking into account any applicable losses available to the Trust and any capital gains refund (defined below) available to the Trust in connection with a redemption of Units). Where taxable income of the Trust in a taxation year exceeds the total cash distributions for that year, such excess taxable income will generally be distributed to Unitholders at year-end and may be distributed to Unitholders in the form of additional Units. Income of the Trust payable to Unitholders, whether in cash, additional Units or otherwise, generally will be deductible by the Trust in computing its taxable income.

A distribution by the Trust of its property upon a redemption of Units will be treated as a disposition by the Trust of such property for proceeds of disposition equal to the fair market value thereof, which can result in income and capital gains to the Trust. The Trust will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of capital property exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

The Trust will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the *Tax Act* based on the redemption of Units during the year (the “**capital gains refund**”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the Trust’s tax liability for that taxation year arising in connection with the distribution of its property on the redemption of Units. The Declaration of Trust provides that all or a portion of any income (including taxable capital gains) realized by the Trust in a taxation year as a result of that redemption may, at the discretion of the Trustee, be treated as income paid or payable to the redeeming Unitholder. Based on the Tax Proposals, the amount of such income will only be deductible by the Trust in computing its income for the year if such amount is in respect of the Trust’s taxable capital gains and only to the extent of the taxable capital gain that is otherwise realized by the redeeming Unitholder.

Losses incurred by the Trust cannot be allocated to Unitholders, but may be deducted by the Trust in future years in accordance with, and subject to the limitations in, the *Tax Act*.

The Trust will generally be required to include in computing income for a particular taxation year the portion of the net income for purposes of the *Tax Act* of the Commercial Trust for a taxation year including net realized taxable capital gains that is paid or payable by the Commercial Trust on its units to the Trust in the particular taxation year, whether that amount is received in cash, additional units, or otherwise. Provided that the appropriate designations are made by the Commercial Trust, such portion of its net taxable capital gains, taxable

dividends received from taxable Canadian corporations and foreign source income, as the case may be, generally shall be treated as such in the hands of the Trust for purposes of the *Tax Act*.

6.2 Taxation of Commercial Trust

The Commercial Trust will be subject to tax under Part I of the *Tax Act* on its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of amounts paid or payable to the Trust as a unitholder in the taxation year. Counsel has been advised that it is the present intention of CT Trustee to make distributions in each year to unitholders of Commercial Trust in an amount sufficient to ensure that the Commercial Trust generally will not be liable for tax under Part I of the *Tax Act* in any year. Where taxable income of the Commercial Trust in a taxation year exceeds the total cash distributions for that year, such excess taxable income will generally be distributed to its unitholders at year-end and may be distributed to such unitholders in the form of additional units of Commercial Trust. The CT Declaration of Trust will provide that the Commercial Trust may make designations in respect of its net taxable capital gains, taxable dividends received from taxable Canadian corporations and foreign source income so that same may generally be treated as such in the hands of the Trust for purposes of the *Tax Act*.

Losses incurred by the Commercial Trust cannot be allocated to its unitholders, but may be deducted by the Commercial Trust in future years in accordance with, and subject to the limitations in, the *Tax Act*.

6.3 Taxation of the Partnership

The Partnership is not subject to tax under the *Tax Act*. Each partner of the Partnership (including the Commercial Trust) is required to include in computing its income for a particular taxation year the partner's share of the income or loss of the Partnership (subject, in the case of a loss, to the application of the "at risk" rules described below) for its fiscal year ending in, or coincidentally with, the partner's taxation year, whether or not any of that income is distributed to the partner in the year. For this purpose, the income or loss of the Partnership will be computed for each fiscal year as if the Partnership were a separate person resident in Canada. In computing the income or loss of the Partnership, the Partnership is entitled to deduct its reasonable administrative and other expenses incurred by it to earn income. The income or loss of the Partnership for a fiscal year will be computed according to Canadian tax principles in Canadian currency and allocated to the partners of the Partnership in the manner set out in the Limited Partnership Agreement of the Partnership, subject to the detailed rules in the *Tax Act*. Foreign taxes paid by the Partnership and taxes withheld at source are allocated pursuant to the Limited Partnership Agreement.

If the Partnership incurs a loss for tax purposes, each partner (including the Commercial Trust) will be entitled to deduct in computing its income its share of such loss to the extent that the partner's investment is considered to be "at risk" within the meaning of the *Tax Act*. In general, the amount considered to be "at risk" for an investor in a limited partnership for any taxation year will be the adjusted cost base of the investor's partnership interest at the end of the year, plus any undistributed income allocated to the limited partner for the year and minus the amount of any guarantee or indemnity provided to a limited partner against the loss of the limited partner's investment.

Generally, distributions to partners in excess of the income of the Partnership for a year will result in a reduction of the adjusted cost base of the partner's LP Units by the amount of such excess. If, as a result, the adjusted cost base to the Commercial Trust of its LP Units at the end of the taxation year of the Partnership is a negative amount, the Commercial Trust will be deemed to realize a capital gain equal to such negative amount, and the Commercial Trust's adjusted cost base of its LP Units will then be reset to nil.

6.4 Taxation of Unitholders

Trust Distributions

A Unitholder will generally be required to include in computing income for a particular taxation year the portion of the net income for purposes of the *Tax Act* of the Trust for a taxation year including net realized taxable capital gains of the Trust that is paid or payable by the Trust to the Unitholder in the particular taxation year, whether that amount is received in cash, additional Units, or otherwise.

Provided that the appropriate designations are made by the Trust, such portion of the net realized taxable capital gains of the Trust, taxable dividends received from taxable Canadian corporations and foreign source income, as the case may be, generally shall be treated as such in the hands of the Unitholders for purposes of the *Tax*

Act. Net realized taxable capital gains of the Trust designated by the Trust to Unitholders will be subject to the treatment of capital gains described below. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal (or if applicable the enhanced) gross-up and dividend tax credit rules will apply. The availability of foreign tax credits in respect of foreign source income designated to a Unitholder by the Trust is subject to the foreign tax credit rules under the *Tax Act* and the Unitholder's particular circumstances including other foreign source income or losses received and foreign taxes paid by the Unitholder. The Declaration of Trust provides that the Trust may make the requisite designations permitted by the *Tax Act*.

The non-taxable portion of any net realized capital gains of the Trust (currently being one-half thereof) that is paid or payable to a Unitholder in a year will not be included in computing the Unitholder's income for the year. Any other amount in excess of the net income of the Trust that is paid or payable to a Unitholder in a year generally should not be included in the Unitholder's income for the year. However, such an amount which becomes payable to a Unitholder will reduce the adjusted cost base of the Units held by such Unitholder, except to the extent that the amount either was included in the income of the Unitholder or was the Unitholder's share of the non-taxable portion of the net realized capital gains of the Trust, the taxable portion of which was designated by the Trust in respect of the Unitholder. To the extent that the adjusted cost base of a Unit otherwise would be less than zero, the Unitholder will be deemed to have realized a capital gain equal to the negative amount and the holder's adjusted cost base of the Units will then be reset to nil.

The after-tax return to Unitholders from an investment in Units will depend, in part, on the composition for tax purposes of distributions paid by the Trust, portions of which may be fully or partially taxable or may constitute non-taxable returns of capital. The composition for tax purposes of distributions by the Trust may change over time, thus affecting the after-tax return to such Unitholders.

Dispositions of Units

Upon the disposition or deemed disposition by a Unitholder of a Unit, whether on a sale, redemption, repurchase or otherwise, a capital gain (or capital loss) will be realized by the Unitholder to the extent that the proceeds of disposition, exceed (or are less than) the adjusted cost base of the Unit to the Unitholder immediately before the disposition and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Trust that is otherwise required to be included in the Unitholder's income. The taxation of capital gains and capital losses is described below.

A consolidation of Units following a special distribution paid in the form of additional Units will not be regarded as a disposition of such Units and will not affect the aggregate adjusted cost base to a holder of Units of that class.

The adjusted cost base to a holder of a Unit for tax purposes acquired pursuant to this Offering generally will include all amounts paid by the holder for the Unit, subject to certain adjustments. The cost of additional Units received in lieu of a cash distribution will be the amount of income of the Trust distributed by the issuance of such additional Units. The adjusted cost base to a holder of Units will be determined on a class by class basis. For purposes of determining the adjusted cost base to a holder of Units, when a Unit is acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the holder as capital property.

If, at any time, the Trust delivers property other than cash to any Unitholder upon a redemption of a Unitholder's Units or the termination of the Trust, the Unitholder's proceeds of disposition of such Units will be equal to the fair market value of the distributed property less any capital gain realized by the Trust on the disposition of such property which has been designated and made payable by the Trust to the Unitholder. The cost to a Unitholder of any property distributed by the Trust in specie will generally be equal to the fair market value of such property at the time of the distribution. Such distributed property will generally not be a qualified investment for Registered Plans and this may give rise to adverse consequences – refer to "Eligibility for Investment".

Reclassification of Units

Having regard to the administrative position of the CRA, the reclassification of a Unit of a particular class into a Unit of another class will not generally be regarded as a disposition of the reclassified Units.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by a Unitholder on a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by the Trust in respect of a Unitholder must generally be

included in the Unitholder's income as a taxable capital gain in the taxation year in which the disposition occurs or in respect of which a net taxable capital gains designation is made by the Trust.

One-half of any capital loss realized by a Unitholder on a disposition or deemed disposition of Units generally must be deducted by the Unitholder against taxable capital gains of the Unitholder in the year of disposition, and to the extent one-half of any such losses exceed taxable capital gains in that year, such excess may be deducted only from taxable capital gains, in the three preceding taxation years or in any subsequent taxation year in accordance with and subject to the detailed provisions of the *Tax Act*.

Alternative Minimum Tax

Capital gains realized by a Unitholder on the disposition of Units may increase a Unitholder's liability for alternative minimum tax. In addition, amounts paid by the Trust to such Unitholders and designated by the Trust as dividends or net taxable capital gains may increase a Unitholder's liability for alternative minimum tax.

ITEM 7 – COMPENSATION PAID TO SELLERS AND FINDERS

There is no compensation, commission or finder's fee payable in respect of the Units sold pursuant to this Offering. However, the Trust does pay to the Trustee, who pays each registered dealer whose clients hold Class A Units a Trailer Fee. See "Item 2.7.1 – Declaration of Trust – Fees and Expenses – Trailer Fees".

ITEM 8 - RISK FACTORS

There are certain risks inherent in an investment in the Units of the Trust and the activities of the Trust, including the following risk factors, which investors should carefully consider before investing. Some of the following factors are interrelated and, consequently, investors should treat such risk factors as a whole. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Confidential Offering Memorandum. These risks and uncertainties are not the only ones that could affect the Trust and additional risks and uncertainties not currently known to the Trust or the Trustee, or that they currently deem immaterial, may also impair the returns, NAV, financial condition and results of operations of the Trust. If any such risks actually occur, the returns, NAV, financial condition and results of operations of the Trust could be materially adversely affected and the financial performance of the Trust and the ability of the Trust to make cash distributions, achieve its investment objectives and/or satisfy requests for redemptions of Units could be materially adversely affected.

8.1 Risk Factors Relating to the Trust

No Assurance of Achieving Investment Objectives

There is no assurance that either the Trust or the Partnership will be able to achieve its investment objectives or be able to pay distributions at targeted levels. The funds available for distribution to Unitholders will vary according to, among other things, the interest, dividends and distributions received in respect of the Partnership's Portfolio investments and the market value of the securities comprising the Portfolio. There is no assurance that the Trust will earn any return.

An investment in the Trust is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment and who can withstand the effect of distributions not being paid in any period or at all.

Fluctuations in NAV

The NAV applicable to Units and the funds available for distributions will vary according to, among other things, the value of the assets held within the Portfolio and the amount of distributions, interest and dividends received from investments held by the Trust, indirectly through the Partnership, in the Portfolio. Fluctuations in the market value of the Portfolio assets may occur for a number of reasons beyond the control of the Manager.

Illiquidity of Units

There is not now, and there is not likely to develop, any market for the resale of the Units. The Units have not been qualified for sale by prospectus under the securities laws of any of the relevant offering jurisdictions. Accordingly, Units may not be transferred unless appropriate prospectus exemptions from applicable securities laws are available and the transferee is an eligible investor.

Under certain conditions, redemptions may be restricted or temporarily suspended by the Trustee at any time. Unitholders requesting redemptions may therefore potentially experience delays in receiving redemption payments. An investment in Units is hence suitable only for sophisticated investors who do not need liquidity with respect to this investment.

Investment in Non-Voting Units of the Commercial Trust and the Limited Partnership

The Trust will be investing in non-voting units of the Commercial Trust and will not be entitled to any voting rights with respect to matters relating to the Commercial Trust, including the election or replacement of the trustee of the Commercial Trust. In addition, the Commercial Trust will be investing in the LP Non-Voting Units of the Partnership and will not be entitled to any voting rights with respect to any matters submitted to a meeting of the Limited Partners as they relate to the Partnership, except in certain limited circumstances. See “Item 2.7.2 – Limited Partnership Agreement – Matters Requiring LP Unitholder Approval”.

Equity Risk

The value of an equity security changes with the fortunes of the company that issued such equity securities. General market conditions and the health of the economy as a whole can also affect equity prices. Equity related securities that provide indirect exposure to the equity securities of an issuer, such as convertible debentures, can also be affected by equity risk. Present economic conditions may adversely affect companies and the pricing of their securities. Further continued volatility or illiquidity could impair materially the profitability of these issuers.

Investment Concentration

The Trust will be investing primarily in the securities of Commercial Trust and indirectly in the securities of the Partnership. Consequently, the Trust’s ability to maximize returns and to pay regular distributions is largely based on the indirect performance of the Partnership’s Portfolio. As a result, any adverse development affecting the Partnership’s Portfolio will have a corresponding adverse effect upon the Commercial Trust and the Trust and would adversely affect the potential NAV, Class NAV and Class NAV per Unit of the Trust.

Reliance on the Trustee and the Manager

Unitholders are dependent on the ability of the Trustee to effectively manage the Trust in a manner consistent with the investment objectives, strategy and restrictions of the Trust. LP Unitholders are dependent on the ability of the Partnership to effectively manage the Partnership in a manner consistent with the investment objectives, strategy and restrictions of the Partnership. Performance of the investments in the Portfolio is dependent on the Manager, who is principally responsible for providing administration and portfolio advisory services to the Partnership. In addition, although the key management personnel and the directors of the Manager have extensive experience, there is no certainty that such individuals will continue to act in such capacity in the future.

Distributions

The manner and timing of distributions by the Trust to the Unitholders is in the sole discretion of the Trustee and will be dependent on the manner and timing of distributions by the Partnership to the Partners which is in the sole discretion of the General Partner. Any amount withheld by the Trustee or the General Partner, as applicable, and paid over to a taxing authority is treated as actually distributed to the Unitholder in respect of whom such withholding and payment was made.

Sensitivity to Interest Rates

The value of the Units may be affected by the level of interest rates prevailing from time to time. In addition, any decrease in the NAV resulting from an increase in interest rates may also negatively affect the value of the Units and the corresponding LP Non-Voting Units. Unitholders are therefore exposed to the risk that the Class NAV per Unit or LP Unit or the market price of the Units or LP Units may be negatively affected by interest rate fluctuations.

Redemptions

If holders of a substantial number of Units exercise their redemption rights, the number of Units outstanding and the NAV of the Trust could be significantly reduced. In addition, if holders of a substantial number

of LP Units exercise their redemption rights, the number of LP Units outstanding and the NAV of the Partnership could be significantly reduced. A significant number of redemptions would increase the management expense ratio of the Trust and the Partnership, respectively. Many investment funds, like the Trust and the Partnership, with a quarterly redemption feature have experienced significant redemptions and as a result, some have ceased to be economically feasible and have been terminated or merged with other funds. In addition, the Manager may terminate the Partnership upon notice to LP Unitholders if, in the opinion of the Manager, the NAV of the Partnership is reduced as a result of redemptions or otherwise so that it is no longer economically feasible to continue the Partnership.

Potential Conflicts of Interest

TIMI is the trustee of the Trust and the Commercial Trust. TIMI is an exempt market dealer, investment fund manager and portfolio manager in certain jurisdictions and the Trust is a connected issuer and related issuer of TIMI in connection with the distribution of securities hereunder, which may result in conflict of interest. TIMI is also the manager of the Partnership.

The Trust intends to invest in non-voting units of the Commercial Trust and the Commercial Trust intends to invest in the LP Non-Voting Units of the Partnership and TIMI and its associates (as defined under National Instrument 31-103) may be considered as a partner, officer or director of the Trust, the Commercial Trust and/or the Partnership.

TIMI and its directors and officers and their respective affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts, some of which may invest primarily in the securities held by the Trust, the Commercial Trust and/or the Partnership. Although officers, directors and professional staff of TIMI will devote as much time to each of the Trust, the Commercial Trust and the Partnership as is deemed appropriate to perform its duties, the staff of TIMI may have conflicts in allocating their time and services among the Trust, the Commercial Trust, the Partnership and the other funds managed by the TIMI.

Class Risk

The Trust offers more than one class of Units. Each Class of Units may have its own schedule of fees and expenses that are tracked separately. If there are not sufficient assets attributable to a Class to pay that Class' expenses, the assets attributable to other Classes of Units are used to make up the difference. This reduces the returns realized by holders of Units of those other Classes. This is because the Trust as a whole is legally responsible for the financial obligations of all of its Classes of Units. Similarly, the Partnership offers more than one class of LP Units. Each Class of LP Units may have its own schedule of fees and expenses that are tracked separately. If there are not sufficient assets attributable to a Class to pay that Class' expenses, the assets attributable to other Classes of LP Units, including the LP Non-Voting Units, are used to make up the difference. This reduces the returns realized by holders of LP Units of those other Classes, including the holders of LP Non-Voting Units, and consequently the indirect returns realized by holders of Units.

Nature of the Units

Unitholders do not have the statutory rights normally associated with ownership of shares of a CBCA corporation including, for example, the right to bring "oppression" or "derivative" actions. Unlike shareholders of a CBCA corporation, the Trust is not be required to hold annual Unitholder meetings and Unitholders do not have a comparable right of a shareholder to make a proposal at a general meeting of the Trust. The matters in respect of which Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of a CBCA corporation. Unitholders do not have recourse to a dissent right under which shareholders of a CBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, the sale of all or substantially all of its property, or a going private transaction). Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of a CBCA corporation which would apply where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties. Shareholders of a CBCA corporation may apply to a court to order the liquidation and dissolution of the corporation in certain circumstances whereas Unitholders may rely only on the general provisions of the Declaration of Trust which permit the dissolution of the Trust with the approval of an Extraordinary Resolution of the Unitholders. The CBCA also permits shareholders to bring or intervene in derivative actions in the

name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include comparable rights.

Changes in Legislation

There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the distributions received by the Trust or by the Unitholders.

Tax-Related Risks

Mutual Fund Trust

If the Trust fails or ceases to qualify as a mutual fund trust for the purposes of the *Tax Act*, the tax consequences described under “Item 6 - Certain Canadian Federal Income Tax Considerations” and “Eligibility for Investment” would in some respects be materially and adversely different. In addition, Unitholders may become subject to provincial taxes, such as Ontario Land Transfer Tax, in respect of their Units.

Qualified Investments

There can be no assurance that the Units will continue to be qualified investments for a trust governed by a Registered Plan. In addition, Redemption Notes, securities and/or obligations distributed to a Unitholder on a redemption may not be a qualified investment for such plans. If the Units, or such Redemption Notes, securities and/or obligations distributed on a redemption of Units are not qualified investments for a trust governed by a Registered Plan, such plans may be subject to adverse tax consequences.

SIFT Measures

The SIFT Measures (as defined herein) tax certain publicly-traded or listed trusts in a manner similar to corporations and tax certain distributions from such trusts as taxable dividends from a taxable Canadian corporation. Distributions paid by a SIFT trust as returns of capital are generally not subject to this tax. The SIFT Measures also apply to certain partnerships.

Provided the Units of (and any others investments in) the Trust are not listed or traded on any stock exchange or other public market the Trust should not be subject to the SIFT Measures. Similarly, it is expected that neither the Commercial Trust nor the Partnership will be a “SIFT trust” or a “SIFT partnership” (each within the meaning of the *Tax Act*) respectively, such that the SIFT Measures would not apply to any such entity.

No assurance can be given that the SIFT Measures will not apply to the Trust (or a subsidiary of the Trust, including the Commercial Trust or the Partnership) in future. If the SIFT Measures were to apply to the Trust (or a subsidiary thereof), it may adversely affect the marketability of the Units, the amount of cash available for distributions and the after-tax return to investors.

Change of Tax Laws

There can be no assurance that Canadian tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the Trust or its affiliates or the administrative policies and assessing practices of the CRA will not change in a manner that adversely affects the Trust, its affiliates or Unitholders. Any such change could increase the amount of tax payable by the Trust or its affiliates, or otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

Loss Restriction Event

The *Tax Act* includes “loss restriction event” (“**LRE**”) rules that could potentially apply to the Trust. In general, the Trust will be subject to a LRE if a person (or group of persons) acquires more than 50% of the fair market value of the Units. If a LRE occurs (i) the Trust will be deemed to have a year-end for tax purposes immediately before the LRE occurs, (ii) any net income and net realized capital gains of the Trust at such year-end will be distributed to Unitholders to the extent required for the Trust not to be liable for income taxes, and (iii) the Trust will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE.

Limitations on Non-Resident Ownership

The Declaration of Trust provides that at no time may more than 49% of the voting Units outstanding be held or beneficially owned, directly or indirectly, for the benefit of Non-Residents. The limitation on ownership of the Units by Non-Residents may have an adverse impact on the liquidity of the Units. In addition, the sale by Non-Residents of a significant number of Units at the demand of the Trust may have an adverse effect on the market price of the Units.

8.2 Risk Relating to the Partnership

There are certain risks inherent in an investment in the Units which arise indirectly as a result of the Trust’s investment in non-voting units of the Commercial Trust and the Commercial Trust’s investment in the LP Non-Voting Units of the Partnership, including the following risk factors, which investors should carefully consider before investing.

Performance of the Portfolio

The Class NAV per LP Unit, and indirectly the Class NAV per Unit, varies as the fair value of the assets in the Portfolio varies. Neither the Trust nor the Partnership have any control over the factors that affect the fair value of the assets in the Portfolio, including factors that affect the private real estate and equity markets generally, such as general economic and political conditions and fluctuations in interest rates, and factors unique to each issuer included in the Portfolio, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution policies and other events that may affect the value of its securities. Some global economies are experiencing significantly diminished growth and some may suffer or are suffering a recession. No assurance can be given that diminished availability of credit and significant equity devaluations will not adversely affect the markets into which the Trust invests in the near to medium term.

Limited Information Regarding Private Issuers

The Partnership’s Portfolio may consist of securities issued by privately held issuers. There is generally little or no publicly available information about such issuers and the Partnership must rely on the diligence of the Manager to obtain the information necessary for the Partnership’s decision to invest in them. There can be no assurance that the diligence efforts of the Manager will uncover all material information about the privately held business necessary for the Partnership to make a fully informed investment decision.

Risks Relating to Real Estate

The Partnership is invested primarily in the securities of issuers active in the real estate sector. The assets, earnings and securities values of the issuers involved in the real estate sector are influenced by a number of different factors including economic cycles, inflation, the cost of capital available to real estate issuers, the level of short and long-term interest rates, the timing of increases in supply, consumer confidence, investor confidence in competing asset classes, demographic trends, the policies of various levels of governments and the economic well-being of industries such as retail and tourism.

Real estate issuers generally are subject to certain risks related to their direct ownership of real estate. Real property investments are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition for other available premises and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and upon the vacancy rates of the underlying property portfolio.

There are certain types of risks relating to the ownership of real estate, generally of a catastrophic nature, such as wars, terrorism or environmental contamination, which may be either uninsurable or not insurable on an economically viable basis. In addition, environmental laws may render a real estate issuer liable for the costs of removal of certain hazardous substances and the remediation of certain hazardous locations.

Real estate ownership may also require certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges regardless of whether property is producing income.

Changes in Real Estate Value

The Partnership invests in equity and debt backed by real estate, the value of which can fluctuate. The value of real estate is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants where applicable, competition from other available properties, fluctuations in occupancy rates, operating expenses and other factors. The value of income-producing real property may also depend on the credit worthiness and financial stability of the borrowers and/or the tenants. In respect of the Partnership's debt investments, changes in market conditions may decrease the value of the secured property and reduce the cash flow from such properties, thereby impacting on the ability of the borrowers to service the debt and/or repay the loan based on the property income. In particular, recent disruptions to the credit and financial markets in Europe and worldwide and local economic disruptions in areas where the borrowers may be located may adversely affect the value of real estate on which the loans are secured and the ability of the borrowers to repay the loans and thereby negatively impact on the Partnership's investments and the value of the Portfolio.

Mortgage Defaults and Leverage Risks

Issuers whose securities are included in the Portfolio and which invest in mortgages are subject to the risk that the borrowers under such mortgages may default. If any such borrowers default under any such mortgage, the issuer would have the right to exercise its mortgage enforcement remedies. Exercising mortgage enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact the cash flows of the issuer during the period of enforcement. In addition, as a result of potential declines in real estate values, there is no assurance that the issuer would be able to recover all or substantially all of the outstanding principal and interest owed to it by exercising its mortgage enforcement remedies. Should any such issuer be unable to recover all or substantially all of the principal and interest owed to it in respect of any such mortgage, the returns, financial condition and results of operations of the issuer would be adversely impacted and the NAV may be negatively impacted.

In addition, the issuers whose securities are included in the Portfolio may from time to time incur mortgage debt over their properties, and may also employ leverage for various purposes, resulting in the issuers being exposed to leverage risk. Leverage risk refers to the risk that leverage created from borrowing may impair an issuer's liquidity, cause it to liquidate positions at an unfavorable time, reduce distributions paid by the issuer and increase the volatility of the values of securities issued by the issuer. To the extent that an issuer uses significant leverage, it may incur substantial losses if its borrowing costs increase or it may be adversely affected if credit is not available due to global economic conditions or other factors. During periods of adverse market conditions, the use of leverage may cause an issuer to lose more money than would have been the case if a mortgage or leverage was not utilized. If an issuer defaults under a mortgage and/or other credit or borrowing facility, the assets of the issuer pledged as security to the lender may be subject to foreclosure or realization by the lender. Accordingly, the value of the issuer's securities may decrease or possibly become worthless, and the returns, financial condition and results of operations of the issuer could be adversely impacted or impaired, thereby negatively impacting the NAV.

Foreign Market Exposure

The Partnership's investments, at any particular time, include securities of issuers established in jurisdictions outside Canada and the United States. Although most of such issuers are subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and U.S. companies, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or U.S. company. Volume and liquidity in some foreign markets may be less than in Canada and the United States and, at times, volatility of price may be greater than in Canada or the United States. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded. Investments in foreign markets carry the potential exposure to the risk of

political upheaval, acts of terrorism and war, all of which could have an adverse impact on the value of such securities.

Use of Leverage by the Partnership

The use of leverage by the Partnership may result in capital losses or a decrease in distributions to LP Unitholders and consequently indirectly to Unitholders. If the value of the Portfolio decreases such that the amount borrowed by the Partnership exceeds 40% of the aggregate value of the assets of the Partnership, the Partnership may be required to take measures in order to comply with such restriction. The interest expense and banking and other fees incurred in respect of any loan facility or prime brokerage facility entered into by the Partnership will decrease the value of the assets of the Partnership and of the Trust indirectly, thereby indirectly reducing the amounts available to pay distributions on the Units. In addition, the Partnership may not be able to renew any borrowings on acceptable terms or at all. There can be no assurance that the borrowing strategy employed by the Partnership will assist the Partnership in achieving its objectives.

Use of Derivative Instruments

The Partnership may utilize derivatives for hedging purposes. The use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) hedging to reduce risk does not guarantee that there will not be a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Partnership wants to complete the derivative contract, which could prevent the Partnership from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Partnership from completing the derivative contract; (iv) the Partnership could experience a loss if the counterparty (which includes a clearing corporation, in the case of exchange-traded instruments, or other third party in the case of over-the-counter instruments) to the derivative contract is unable to fulfill its obligations; and (v) if the Partnership has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the Partnership could experience a loss and, for an open futures or forward contract, a loss of margin deposits with that dealer. In circumstances where there is an interest rate hedge employed, total return on the Portfolio may be higher with the hedge than without it when interest rates rise significantly, but total return may be lower than it otherwise would be in a stable to falling interest rate environment.

Use of Short Selling

Selling securities short may result in the loss of an amount greater than the amount invested since there is theoretically no limit to the price to which securities that have been sold short may rise before the short position is closed out. In addition, the supply of securities which can be borrowed in order to maintain short positions fluctuates from time to time. There is no assurance that the lender of securities or financial instruments will not require the security to be repaid before the Manager wishes to do so, thereby requiring the Partnership to borrow the security elsewhere or purchase the security in the market at an unattractive price. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that any borrowing fee will not increase during the borrowing period, adding to the expense of a short sale strategy. In addition, there is no assurance that a security sold short can be repurchased due to supply and demand constraints in the marketplace.

In situations where the Partnership engages in short selling in connection with pairs trading, while market risk would be hedged out, the Partnership would still be exposed to stock specific risk, specifically that the stock the Partnership is short outperforms the stock that the Partnership is long which could offset some or all of the benefit in the yield differential.

Securities Lending

The Partnership may engage in securities lending. Although it does receive collateral for the loans and such collateral is marked-to-market, the Partnership is exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the loaned securities.

Currency Exposure

As the Portfolio is from time to time invested in securities denominated in U.S. dollars and other foreign currencies, the NAV of the Partnership, when measured in Canadian dollars, will, to the extent this has not been hedged against, be affected by changes in the value of the U.S. dollar and other foreign currencies relative to the

Canadian dollar. The Partnership is not expected to be fully hedged and distributions received on the Portfolio will not be hedged and accordingly no assurance can be given that the Partnership, and consequently the Trust, will not be adversely impacted by changes in foreign exchange rates or other factors. The use of hedges, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been undertaken. Hedging arrangements may have the effect of indirectly limiting or reducing the total returns to the Trust if the Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Exchange Rate Risk

Holders of Class UF Units or Class UJ Units are exposed to any currency fluctuations and may be affected by changes in the value of the US dollar relative to the Canadian dollar. Although the subscription price of the Class UF Units and the Class UJ Units will be paid in U.S. dollars, such payments will be converted into Canadian dollar on the same day to satisfy the subscription price. Both distribution and redemption proceeds will be calculated in Canadian dollars and paid in U.S. dollars based on the then current exchange rate, and therefore, given the value of the US dollar relative to the Canadian dollar there may be currency exposure to the holders of Class UF Units and Class UJ Units which may be material.

Fair Allocation of Investment Opportunities

It is the general policy of the Manager that all of its managed accounts that have investment objectives and restrictions that are compatible with a particular investment opportunity should, when practicable, participate pro rata in that investment opportunity based upon, among other things, the relative amount of assets under management in each such account and the relative importance of the investment opportunity to the fulfillment of each such account's investment objective. Accordingly, the Manager generally presents to the Partnership any investment opportunity available to the Manager that is consistent with the investment objectives and restrictions of the Partnership based upon, and subject to, (i) the amount of assets under management on behalf of the Partnership relative to the amount of assets under management on behalf of all other accounts of the Manager that have investment objectives and restrictions that are compatible with the investment opportunity, and (ii) the importance of the investment opportunity to the fulfillment of the investment objective of the Partnership relative to the importance of the investment opportunity to the fulfillment of the investment objectives of such other accounts of the Manager. An assessment of the relative importance of an investment opportunity to the fulfillment of a client account's investment objectives is dependent upon a number of factors that include the availability of the resources that are required to make the investment, alternative investment opportunities, the composition of the client account's portfolio at the time, the geographic and industry sector exposure associated with the investment opportunity and the liquidity of the account.

As a result of this fair allocation policy, the Partnership may, from time to time, be presented with but yet be precluded from participating in an investment opportunity available to the Manager that would otherwise be compatible with the Partnership's investment objectives and restrictions, as applicable, based upon the Manager's assessment of the relative importance of the investment opportunity to each of its managed accounts, including the Partnership.

Foreign Tax Reporting Risks

Pursuant to the Canada-United States Enhanced Tax Information Exchange Agreement entered into between Canada and the United States on February 5, 2014 (the "IGA") and related Canadian legislation in the Tax Act, the Trust (or dealers through which Unitholders hold their Units) is required to report certain financial information (e.g. account balances) with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), and certain other "U.S. Persons", as defined under the IGA (excluding "Registered Plans"), to the CRA. The CRA is expected to provide the information to the U.S. Internal Revenue Service.

The Trust and/or the Partnership will endeavor to comply with the requirements imposed under the IGA and its implementing provisions under the Tax Act. However, if the Trust and/or the Partnership cannot satisfy the applicable requirements under the IGA or its implementing provision of the Tax Act and is unable to comply with

the requirements under the U.S. Foreign Account Tax Compliance Act of 2009 (“**FATCA**”), the Trust and/or the Partnership may be subject to certain U.S. withholding taxes.

Canada has also implemented the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (“**CRS**”) which provides for the automatic exchange of certain tax information between the tax authorities of participating jurisdictions. Affected investors are required to provide certain information including their tax identification numbers for the purpose of such information exchange.

Credit Risk

The investments of the Portfolio in bonds and debentures exposes the Partnership to the credit risk of the underlying issuer including risk of default on interest and principal and the risk that the credit ratings of such issuers may be downgraded in certain circumstances. Certain of the bonds and debentures may be regarded as predominantly speculative with respect to the issuers continuing ability to meet principal and interest payments. They may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher rated securities. The markets on which lower rated bonds and debentures are traded may be less liquid than the markets for investment-grade rated securities. During periods of thin trading in these markets, the spread between bid and ask prices is likely to increase significantly and the Partnership may have difficulty selling such securities. Global financial markets have experienced a significant re-pricing recently that has contributed to a reduction in liquidity and the availability of credit, enhancing the likelihood of default by some issuers due to diminishing profitability or an inability to refinance existing debt. In addition, real or anticipated changes in the credit ratings on bonds and debentures held in the Portfolio may affect the market value of such bonds and debentures.

General Risk of Investing in Debt Instruments

The value of debt instruments is affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer’s creditworthiness. Debt instruments may not pay interest or their issuers may default on their obligations to pay interest and/or principal amounts. Certain of the debt instruments that may be included in the Portfolio from time to time may be unsecured, which increases the risk of loss in the case of default or insolvency of the issuer.

Global Financial Developments

Global financial markets have experienced a sharp increase in volatility in recent years. This has been, in part, the result of the revaluation of assets on the balance sheets of financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments are attempting to restore much needed liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. Some of these economies have experienced significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and further volatility or illiquidity in financial markets may also adversely affect the prospects of the Partnership and the value of the Portfolio. A substantial drop in the markets in which the Partnership invests could be expected to have a negative effect on the Partnership and indirectly on the Trust.

Liquidity of the Securities in the Portfolio

Some of the securities in which the Partnership intends to invest may be thinly traded and some may have no market at all including, but not limited to, the Partnership’s private investments and real estate investments. It is possible that the Partnership may not be able to sell portions of such positions without facing substantially adverse prices. If the Partnership is required to transact in such securities or other assets before the end of their intended investment horizon, the performance of the Partnership could suffer.

Risk Rankings

The Manager has determined that if the Partnership was subject to a public risk ranking requirements, it would rank the Partnership’s investment risk as Low to Medium. The Manager has identified the investment risk level of the Partnership as an additional guide to help prospective investors decide whether an investment in the Partnership is right for the investor. While the Partnership is not a public investment fund and is not subject to the

requirements National Instrument 81-102 - *Investment Funds*, the Manager's determination of the investment risk rating for the Partnership was partially guided by the Investment Risk Classification Methodology in Appendix F of National Instrument 81-102 - *Investment Funds* which is applicable to public mutual funds. The instrument employs historical volatility of a fund as measured by the standard deviation of its performance as a measurement of risk. The use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of a fund's relative volatility and related risk. Standard deviation is widely used to measure volatility of return. A fund's risk is measured using a rolling 10 year standard deviation of monthly returns. The standard deviation represents, generally, the level of volatility in returns that a fund has historically experienced over the measurement period.

For funds which have a historical performance of less than 10 years, an appropriate reference index is used to estimate the expected volatility and therefore risk level of the fund for the remaining period. The Partnership's reference index is a 20% weighting in the FTSE EPRA/NAREIT Developed Total Return Index, a 10% weighting in the Wells Fargo Hybrid & Preferred Securities REIT Index and a 70% weighting in the Canada REALpac/IPD Total Return All Property in CAD dollar terms. However, you should be aware that other types of risk, both measurable and non-measurable, may exist. Additionally, just as historical performance may not be indicative of future returns, the Partnership's and the Partnership's benchmark's historical volatility may not be indicative of its future volatility.

In accordance with the methodology described above and comparing the calculated standard deviation of the Fund and its benchmark to the standard deviation range as recommended by the Canadian Securities Administration in the chart below, the Investment Manager has rated the Fund's investment risk as Low to Medium.

In accordance with the methodology described above and comparing the calculated standard deviation of the Fund and its benchmark to the standard deviation range as recommended by the Canadian Securities Administration in the chart below, the Investment Manager has rated the Partnership's investment risk as Low to Medium.

Standard Deviation Range	CSA Fund Facts Investment Risk Level
0 to less than 6	Low
6 to less than 11	Low to medium
11 to less than 16	Medium
16 to less than 20	Medium to high
20 or greater	High

ITEM 9 – REPORTING OBLIGATIONS

The Trust is not a reporting issuer in any jurisdiction. It is therefore not required to disclose material changes which occur in its business and affairs, except in limited circumstances. The Trust will file its audited annual financial statements, accompanied by a notice of use of the proceeds raised under this Offering in the form prescribed by NI 45-106F16, with applicable securities regulators within 120 days of the end of each of its financial years, and will make them reasonably available to each Investor.

Pursuant to the terms of the Declaration of Trust, the Trust will make available to Unitholders, within 60 days after the end of each semi-annual reporting period and within 90 days after the year-end reporting period, financial statements prepared in accordance with applicable law and IFRS. The Trust shall make available to each Unitholder annually, within the time periods prescribed by law, information necessary to enable such Unitholder to complete an income tax return under the *Tax Act* with respect to the amounts payable by the Trust.

ITEM 10 – RESALE RESTRICTIONS

10.1 General Statement

The Units are being offered on a private placement basis in reliance upon prospectus exemptions under applicable securities legislation in each of the provinces and territories of Canada. These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Generally, the Units may be resold only pursuant to an exemption from the prospectus requirements of applicable securities legislation or pursuant to an order of the appropriate securities regulatory authorities granting an exemption from prospectus requirements because the Trust is not a reporting issuer. A purchaser engaged in a resale of Units may also have reporting and other obligations. In addition, in order to comply with the dealer registration requirements of Canadian securities legislation, any resale of Units must be made by a person or company that is not subject to the dealer registration requirements; by a person or company that is registered in an appropriate category of dealer registration; or in reliance upon a dealer registration exemption, including an exemption that is available for trades conducted solely through an appropriately registered dealer. Investors are therefore advised to seek legal advice with respect to such resale of Units. Resale of Units is also restricted under the terms of the Declaration of Trust. Accordingly, each prospective investor must be prepared to bear the economic risk of the investment in Units for an indefinite period.

Each purchaser of Units will be required to deliver to the Trust a Subscription Agreement in which such purchaser will represent to the Trust that such purchaser is an accredited investor (within the meaning of applicable Canadian securities laws), (ii) is purchasing a minimum of \$150,000 of Units in cash (applicable only if such purchaser is not an individual and is resident in British Columbia, Ontario or Québec), (iii) is purchasing Units pursuant to the “employee, executive officer, director and consultant” exemption in Section 2.24 of NI 45-106 (applicable only in Ontario), or (iv) is purchasing Units pursuant to the “offering memorandum” exemption in Section 2.9 of NI 45-106 (applicable only if such purchaser is resident in British Columbia) and is therefore a person or company to whom the Trust may distribute Units without the benefit of a prospectus.

10.2 Restricted Period

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada.

Additionally, in Manitoba, unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless (a) the Trust has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or (b) you have held the securities for at least 12 months. The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 – PURCHASERS’ RIGHTS

If you purchase Units you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

These rights may not be available to you if you purchase the Units pursuant to an exemption from the prospectus requirements other than the “offering memorandum” exemption in Section 2.9 of NI 45-106. Only persons resident in the province of British Columbia are permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106.

11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these Units. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the Units.

11.2 Rights of Action for Damages or Rescission

Securities legislation in certain of the Canadian provinces and territories provides purchasers of securities pursuant to an offering memorandum such as this Confidential Offering Memorandum with a remedy for damages or rescission, or both, in addition to and without derogation from any other rights they may have at law, where the Offering Memorandum and any amendment to it (and in some cases, advertising and sales literature used in connection therewith) contains a Misrepresentation. Where used herein, “**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not false or misleading in light of the circumstances in which it was made. Where used herein, “**material fact**” means, when used in relation to Units issued or proposed to be issued or, in New Brunswick issued or distributed or proposed to be issued or distributed, a fact that would reasonably be expected to have a significant effect on the market price or value of the Units. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

The information set forth below is not intended to be a comprehensive summary of the rights of each purchaser, and may be subject to change. Each purchaser should refer to the complete text of the relevant provisions and to their legal adviser for more details. The rights of action discussed below are in addition to, and without derogation from, any other rights or remedies that are available at law to a purchaser of Units.

11.2.1 Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501- *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this Confidential Offering Memorandum, is delivered to an investor to whom securities are distributed in reliance upon certain prospectus exemptions in NI 45-106, the right of action referred to in Section 130.1 of the *Securities Act* (Ontario) applies. Section 130.1 of the *Securities Act* (Ontario) provides that a purchaser resident in Ontario who purchases Units offered by this Confidential Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied upon the Misrepresentation, a right of action for damages or, alternatively, while still the owner of the Units, for rescission against the Trust provided that:

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the Trust;
- (b) the Trust will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (c) the Trust will not be liable for all or any portion of damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
- (d) in no case shall the amount recoverable for the Misrepresentation exceed the price at which the Units were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:
 - (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three years after the date of the transaction that gave rise to the cause of action.

This Offering Memorandum is being delivered in reliance on the exemption from the prospectus requirements

(the “**accredited investor exemption**”) contained under section 73.3(2) of the *Securities Act* (Ontario). The rights referred to in section 130.1 of the *Securities Act* (Ontario) do not apply if the prospective purchaser is relying on the accredited investor exemption and is:

- (a) a Canadian financial institution or a Schedule III bank (each as defined in NI 45-106);
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

11.2.2 Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the “**Saskatchewan Act**) provides that where this Confidential Offering Memorandum or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a Unit covered by this Confidential Offering Memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Trust on whose behalf the distribution is made or has a right of action for damages against:

- (a) the Trust on whose behalf the distribution is made;
- (b) every promoter and director of the Trust at the time the Confidential Offering Memorandum or any amendment to it was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed this Confidential Offering Memorandum or the amendment thereto; and
- (e) every person who or company that sells Units on behalf of the Trust under this Confidential Offering Memorandum or amendment to this Confidential Offering Memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the Trust, it shall have no right of action for damages against that party;
- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Units resulting from the misrepresentation relied on;
- (c) no person or company, other than the Trust, will be liable for any part of the Confidential Offering Memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the Units were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the Units with knowledge of the misrepresentation.

In addition, no person or company, other than the Trust, will be liable if the person or company proves that:

- (f) this Confidential Offering Memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or
- (g) with respect to any part of this Confidential Offering Memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of this Confidential Offering Memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which we or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in any advertising and sales literature disseminated in connection with the offering of Units.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to a Unit purchased and the verbal statement is made either before or contemporaneously with the purchase of the Unit, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the Units if the Units are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Financial and Consumer Affairs Authority of Saskatchewan, Securities Division.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of Units to whom the Confidential Offering Memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the Units, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

- (h) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (i) in the case of any other action, other than an action for rescission, the earlier of:
 - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended Confidential Offering Memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act with a right to withdraw from

the agreement to purchase the Units by delivering a notice to the Trust, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended Confidential Offering Memorandum.

11.2.3 Manitoba

Section 141.1 of *The Securities Act* (Manitoba) provides that if a purchaser is resident in Manitoba and if this Confidential Offering Memorandum contains a misrepresentation, each purchaser in Manitoba to whom this Confidential Offering Memorandum has been sent or delivered and who purchases Units, will be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, and such purchaser has a right of action for damages against the Trust, and, subject to certain additional defences, against the trustees of the Trust (who were trustees at the date of this Confidential Offering Memorandum) and any person or company who signed this Confidential Offering Memorandum, but may elect instead to exercise a right of rescission against the Trust, in which case such purchaser will have no right of action for damages against the Trust or the trustees of the Trust (who were trustees at the date of this Confidential Offering Memorandum) or any other person or company who signed this Confidential Offering Memorandum, provided that, among other limitations:

- (a) in an action for rescission or damages, no person or company will be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, the Trust will not be held liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and
- (c) in no case will the amount recoverable under the right of action described above exceed the price at which the Units were offered.

In addition, no person or company other than the Trust is liable if the person or company proves that:

- (a) this Confidential Offering Memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable notice that it was delivered without the person or company's knowledge or consent;
- (b) after delivery of this Confidential Offering Memorandum and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentation in this Confidential Offering Memorandum, the person or company withdrew the person's or company's consent to this Confidential Offering Memorandum and gave reasonable notice of the withdrawal and the reason for it; or
- (c) with respect to any part of this Confidential Offering Memorandum purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:
 - (i) there had been a misrepresentation; or (ii) the relevant part of this Confidential Offering Memorandum (A) did not fairly represent the report, opinion or statement of the expert; or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

In addition, no person or company other than the Trust is liable with respect to any part of this Confidential Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company:

- (a) failed to conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or
- (b) believed that there had been a misrepresentation.

In addition, no person or company is liable for a misrepresentation in forward-looking information if the person or company proves that:

- (a) this Confidential Offering Memorandum contains, proximate to such information (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and (ii) a statement of the material factors or assumptions that were applied in drawing the conclusion or making the forecast or projection; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

Subject to *The Securities Act* (Manitoba), no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of: (i) 180 days after the date on which the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) two years after the date of the transaction that gave rise to the cause of action.

The rights discussed above are in addition to and without derogation from any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein.

11.2.4 Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador (the “**NL Act**”), in the event this Confidential Offering Memorandum contains a Misrepresentation, a purchaser resident in Newfoundland and Labrador who purchases Units has, without regard to whether the purchaser relied on the Misrepresentation and subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Trust and, every trustee of the Trust at the date of this Confidential Offering Memorandum and every person or company who has signed this Confidential Offering Memorandum; and (b) a right of rescission against the Trust. Where a right of rescission is exercised against the Trust, a purchaser shall have no right of action for damages against any other person or company referred to in (a) above.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the Misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the Misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Trust, is liable under section 130.1 of the NL Act if:

- (a) the person or company proves that this Confidential Offering Memorandum was sent to the purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Trust that it was sent without the person’s or company’s knowledge or consent;
- (b) the person or company proves that on becoming aware of any Misrepresentation in this Confidential Offering Memorandum, the person or company withdrew the person’s or company’s consent to this Confidential Offering Memorandum, and gave reasonable notice to the Trust of the withdrawal and the reason for it;
- (c) with respect to any part of this Confidential Offering Memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe

and did not believe that: (i) there had been a Misrepresentation; or (ii) the relevant part of this Confidential Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

- (d) with respect to any part of this Confidential Offering Memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or (ii) believed there had been a Misrepresentation.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this Confidential Offering Memorandum, the Misrepresentation is deemed to be contained in this Confidential Offering Memorandum.

The foregoing statutory right of action for rescission or damages conferred by the NL Act is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action, other than an action for rescission, the earlier of:
 - (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three years after the date of the transaction that gave rise to the cause of action.

11.2.5 New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) (“**Section 150**”) apply to information relating to an offering memorandum, such as this Confidential Offering Memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on various prospectus exemptions, including the “accredited investor” prospectus exemption in Section 2.3 of NI 45-106 and the “minimum amount investment” prospectus exemption in Section 2.10(2) of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action against the issuer of securities for rescission or damages in the event that an offering memorandum provided to the purchaser contains a Misrepresentation.

Where this Confidential Offering Memorandum is delivered to a prospective purchaser of Units in connection with a trade made in reliance on Section 2.3 or Section 2.10(2) of NI 45-106, and this document contains a Misrepresentation, a purchaser who purchases the Units will be deemed to have relied on the Misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Trust, a selling security holder of whose behalf such trade is made, every person who was a trustee of the Trust on the date of this Confidential Offering Memorandum and every person who signed this Confidential Offering Memorandum, for damages or, while still the owner of Units, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences an action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action, or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

This statutory right of action is available to New Brunswick purchasers whether or not such purchaser relied on the Misrepresentation. However, there are various defences available to the Trust. In particular, no person will be liable for a Misrepresentation if such person proves that the purchaser purchased the Units with knowledge of the Misrepresentation when the purchaser purchased the Units. Moreover, in an action for damages, the amount recoverable will not exceed the price at which the Units were offered under this Confidential Offering Memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the Units as a result of the Misrepresentation.

11.2.6 Nova Scotia

The right of action for damages or rescission described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 of the *Securities Act* (Nova Scotia) (the “Nova Scotia Act”) provides, in relevant part, that in the event that this Confidential Offering Memorandum, together with any amendment thereto, or any advertising or sales literature (as defined in the Nova Scotia Act) contains a misrepresentation, as defined in the Nova Scotia act, the purchaser will be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Trust and, subject to certain additional defences, every trustee of the Trust at the date of this Confidential Offering Memorandum and every person who signed this Confidential Offering Memorandum or, alternatively, while still the owner of the Units purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the Trust, in which case the purchaser shall have no right of action for damages against the Trust, trustees of the Trust or persons who have signed this Confidential Offering Memorandum, provided that, among other limitations:

- (a) no action shall be commenced to enforce the right of action for rescission or damages by a purchaser in Nova Scotia later than 120 days after the date on which the initial payment was made for the Units;
- (b) no person will be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and
- (d) in no case will the amount recoverable in any action exceed the price at which the Units were offered to the purchaser.

In addition, a person or company, other than the Trust, will not be liable if that person or company proves that:

- (e) this Confidential Offering Memorandum or amendment to this Confidential Offering Memorandum was sent or delivered to the purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person’s or company’s knowledge or consent;
- (f) after delivery of this Confidential Offering Memorandum or amendment to this Confidential Offering Memorandum and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentation in this Confidential Offering Memorandum or amendment to this Confidential Offering Memorandum the person or company withdrew the person’s or company’s consent to this Confidential Offering Memorandum or amendment to this Confidential Offering Memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or
- (g) with respect to any part of this Confidential Offering Memorandum or amendment to this Confidential Offering Memorandum purporting (i) to be made on the authority of an expert or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a misrepresentation, or (B) the relevant part of this Confidential Offering Memorandum or

amendment to this Confidential Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore, no person or company, other than the Trust, will be liable with respect to any part of this Confidential Offering Memorandum or amendment to this Confidential Offering Memorandum not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) believed that there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, this Confidential Offering Memorandum or amendment to this Confidential Offering Memorandum, the misrepresentation is deemed to be contained in this Confidential Offering Memorandum or an amendment to this Confidential Offering Memorandum.

11.2.7 Nunavut

If there is a misrepresentation (being an untrue statement of a material fact, an omission to state a material fact that is required to be stated by the *Securities Act* (Nunavut), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made), in this Confidential Offering Memorandum, a purchaser resident in Nunavut will have a statutory right to sue:

- (a) the Trust to cancel such purchaser's agreement to buy the Units, or
- (b) for damages against the Trust, the selling security holder on whose behalf the distribution is made, every trustee of the Trust at the date hereof and every person who signed this Confidential Offering Memorandum.

This statutory right to sue is available to such purchaser whether or not it relied on the misrepresentation. However, there are various defences available to the persons or companies that such purchaser has a right to sue. In particular, they have a defence if the purchaser knew of the misrepresentation when the purchaser purchased the Units.

If the purchaser intends to rely on the rights described in (a) or (b) above, such purchaser must do so within strict time limitations. The purchaser must commence its action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. The purchaser must commence its action for damages within the earlier of: (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action.

11.2.8 Northwest Territories

If there is a misrepresentation (being an untrue statement of a material fact, an omission to state a material fact that is required to be stated by the *Securities Act* (Northwest Territories), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made), in this Confidential Offering Memorandum, a purchaser resident in Northwest Territories will have a statutory right to sue:

- (a) the Trust to cancel such purchaser's agreement to buy the Units, or
- (b) for damages against the Trust, the selling security holder on whose behalf the distribution is made, every trustee of the Trust at the date hereof and every person who signed this Confidential Offering Memorandum.

This statutory right to sue is available to such purchaser whether or not it relied on the misrepresentation. However, there are various defences available to the persons or companies that such purchaser has a right to sue. In particular, they have a defence if the purchaser knew of the misrepresentation when the purchaser purchased the Units.

If the purchaser intends to rely on the rights described in (a) or (b) above, such purchaser must do so within strict time limitations. The purchaser must commence its action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. The purchaser must commence its action for damages within

the earlier of: (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action.

11.2.9 British Columbia

In accordance with Section 132.1 of the *Securities Act* (British Columbia), if you are a resident of British Columbia, and if there is a Misrepresentation in this Confidential Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy the Units, or
- (b) for damages against the Trust, every person who was a director of the Trustee at the date of this Confidential Offering Memorandum and every other person who signed this Confidential Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the Misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the Misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

11.2.10 Rights for Purchasers in Québec, Alberta, Prince Edward Island and Yukon

Notwithstanding that the *Securities Act* (Alberta), and the *Securities Act* (Québec) do not provide, or require the Trust to provide, to purchasers resident in these jurisdictions any rights of action in circumstances where this Confidential Offering Memorandum or an amendment hereto contains a Misrepresentation, the Trust hereby grants to such purchasers contractual rights of action, subject to the same defences and limitations, that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

In Prince Edward Island the *Securities Act* (PEI), in Yukon, the *Securities Act* (Yukon) provides a statutory right of action for damages or rescission to purchasers resident in Prince Edward Island and Yukon respectively, in circumstances where this Confidential Offering Memorandum or an amendment hereto contains a misrepresentation, which rights are similar, but not identical, to the rights available to Ontario purchasers.

11.3 General

The foregoing summary is subject to the express provisions of the securities acts of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories, respectively, and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which the Trust may rely.

The rights of action for damages or rescission discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law.

ITEM 12 - FINANCIAL STATEMENTS

Attached to this Confidential Offering Memorandum immediately following this Item are the audited financial statements for the Trust for the fiscal year ended December 31, 2018.

Financial Statements of

Timbercreek Four Quadrant Global Real Estate Trust

Year ended December 31, 2018



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Timbercreek Four Quadrant Real Estate Trust

Opinion

We have audited the financial statements of Timbercreek Four Quadrant Real Estate Trust (the "Entity"), which comprise the statements of net assets and investments as at December 31, 2018 and the statements of income and comprehensive income, changes in net assets and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 15, 2019

TIMBERCREEK FOUR QUADRANT GLOBAL REAL ESTATE TRUST

STATEMENT OF NET ASSETS

As at December 31, 2018 with comparative figures for 2017
(All amounts in thousands of Canadian dollars, except per unit data)

	December 31, 2018	December 31, 2017
Assets		
Cash	\$ 46	\$ –
Investment in Timbercreek Four Quadrant Commercial Trust (note 4)	203,633	106,170
Distribution receivable from Timbercreek Four Quadrant Commercial Trust	844	1,504
Receivable from investments sold	5,641	490
Total assets	210,164	108,164
Liabilities		
Bank indebtedness	–	218
Redemptions payable (note 6 (a))	5,641	490
Distributions payable (note 6 (b))	844	1,013
Accounts payable and other liabilities	94	64
Due to the Partnership	–	335
Total liabilities, excluding net assets attributable to unitholders	6,579	2,120
Net assets attributable to holders of redeemable units	\$ 203,585	\$ 106,044
Net assets attributable to holders of redeemable units per Class:		
Class A units	\$ 9,372	\$ 4,204
Class F units	79,407	29,115
Class J units	114,806	72,725
Units outstanding (note 6):		
Class A units	905,368	413,530
Class F units	7,473,366	2,816,308
Class J units	10,751,984	7,024,997
Net assets attributable to holders of redeemable units per unit (note 9):		
Class A units	\$ 10.35	\$ 10.17
Class F units	10.63	10.34
Class J units	10.68	10.35

See accompanying notes to the financial statements

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Year ended December 31, 2018 with comparative figures for 2017

(All amounts in thousands of Canadian dollars, except per unit data)

	2018	2017 ¹
Investment income		
Distribution income	\$ 7,662	\$ 3,134
Net change in fair value of investments	5,931	1,352
	13,593	4,486
Expenses		
General and administrative expenses	261	139
Trailer fees (note 7(c))	72	21
Professional fees	22	40
Audit fees	16	17
Custody fees	—	3
Formation cost	—	252
	371	471
Increase in net assets attributable to holders of redeemable units	\$ 13,222	\$ 4,015
Increase in net assets attributable to holders of redeemable units per Class (note 8):		
Class A units	\$ 558	\$ 101
Class F units	4,708	828
Class J units	7,956	3,086
Net assets attributable to holders of redeemable units per unit (note 8)		
Class A units	\$ 0.78	\$ 0.43
Class F units	0.90	0.65
Class J units	0.89	0.76

¹ For the period from February 22, 2017 (commencement of operations) to December 31, 2017

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

Year ended December 31, 2018 with comparative figures for 2017

(All amounts in thousands of Canadian dollars, except per unit data)

2018	Class A Units	Class F Units	Class J Units	Total
Net assets attributable to holders of redeemable units January 1, 2018	\$ 4,204	\$ 29,115	\$ 72,725	\$ 106,044
Issuance of units	5,393	61,721	49,081	116,195
Redemptions of units	(761)	(15,401)	(13,587)	(29,749)
Distribution to unitholders	(361)	(2,691)	(4,611)	(7,663)
Reinvestment of distributions	339	1,955	3,242	5,536
Increase in net assets attributable to holders of redeemable units	558	4,708	7,956	13,222
Net assets attributable to holders of redeemable units December 31, 2018	\$ 9,372	\$ 79,407	\$ 114,806	\$ 203,585
2017 ¹	Class A Units	Class F Units	Class J Units	Total
Net assets attributable to holders of redeemable units – February 22, 2017	\$ –	\$ –	\$ –	\$ –
Issuance of units	4,187	29,051	72,043	105,281
Redemptions of units	(19)	(282)	(1,276)	(1,577)
Distribution to unitholders	(122)	(771)	(2,241)	(3,134)
Reinvestment of distributions	57	289	1,113	1,459
Increase in net assets attributable to holders of redeemable units	101	828	3,086	4,015
Net assets attributable to holders of redeemable units, December 31, 2017	\$ 4,204	\$ 29,115	\$ 72,725	\$ 106,044

¹ For the period from February 22, 2017 (commencement of operations) to December 31, 2017

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31, 2018 with comparative figures for 2017

(All amounts in thousands of Canadian dollars, except per unit data)

	2018	2017 ¹
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	\$ 13,222	\$ 4,015
Adjustments for:		
Net change in fair value of investments	(5,931)	(1,352)
Distribution reinvested	(5,536)	(1,459)
Change in non-cash operating items:		
Decrease (increase) in distribution receivable	660	(1,504)
Increase in accounts payable and other liabilities	28	64
(Decrease) increase in due to the Partnership	(334)	335
	2,109	99
Cash flows from financing activities		
Proceeds from redeemable units issued	116,195	105,281
Amounts paid on redemption of redeemable units	(24,598)	(1,087)
Distributions paid to holders of redeemable units, net of reinvestments	(2,295)	(662)
	89,302	103,532
Cash flows from investing activities		
Proceeds from sale of investments	24,678	1,125
Purchases of investments	(115,825)	(104,974)
	(91,147)	(103,849)
Net increase in cash during the year	264	(218)
Cash (bank indebtedness) at the beginning of year	(218)	–
Cash (bank indebtedness) at the end of year	\$ 46	\$ (218)
Supplemental information:		
Distribution received	\$ 8,322	\$ 1,630

¹ For the period from February 22, 2017 (commencement of operations) to December 31, 2017

See accompanying notes to the financial statements

TIMBERCREEK FOUR QUADRANT GLOBAL REAL ESTATE TRUST

SCHEDULE OF INVESTMENTS

Year ended December 31, 2018 with comparative figures for 2017

(All amounts in thousands of Canadian dollars, unless otherwise noted)

December 31, 2018	Number of units (#)	Average Cost (\$)	Fair Value (\$)	% of net assets
Canada				
Timbercreek Four Quadrant Commercial Trust – Class A	892,556	\$ 9,149	\$ 9,447	4.6
Timbercreek Four Quadrant Commercial Trust – Class F	7,428,168	77,338	79,475	39.0
Timbercreek Four Quadrant Commercial Trust – Class J	10,664,953	110,156	114,711	56.4
Total net investments		\$ 196,643	\$ 203,633	100.0
Other liabilities, net			(48)	(0.0)
Net assets attributable to holders of redeemable units			\$ 203,585	100.0
December 31, 2017	Number of units (#)	Average Cost (\$)	Fair Value (\$)	% of net assets
Canada				
Timbercreek Four Quadrant Commercial Trust – Class A	411,154	\$ 4,211	\$ 4,230	4.0
Timbercreek Four Quadrant Commercial Trust – Class F	2,801,846	28,970	29,138	27.5
Timbercreek Four Quadrant Commercial Trust – Class J	6,988,305	71,647	72,802	68.6
Total net investments		\$ 104,828	\$ 106,170	100.1
Other liabilities, net			(126)	(0.1)
Net assets attributable to holders of redeemable units			\$ 106,044	100.0

See accompanying notes to the financial statements

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

1. THE FUND

Timbercreek Four Quadrant Global Real Estate Trust (the “Fund”) is a limited purpose open-end investment fund established under the laws of the province of Ontario pursuant to a declaration of trust dated January 24, 2017 (the “Declaration of Trust”). The Fund’s principal office is 25 Price Street, Toronto, Ontario, Canada M4W 1Z1. The Fund commenced business on February 22, 2017.

Timbercreek Investment Management Inc. is the trustee and manager (the “Trustee” or “Manager”) of the Fund.

The Fund has been formed for the purpose of accessing a broader base of investors, including registered plans under the Income Tax Act (Canada), and among other things, allowing investors to obtain exposure to the portfolio of Timbercreek Four Quadrant Global Real Estate Partners (the “Partnership”) and its investment strategies through investment by the Fund indirectly through Timbercreek Four Quadrant Commercial Trust (the “Commercial Fund”) or otherwise in the Partnership. The investment objective of the Fund is to maximize total returns, consisting of income and capital appreciation, and to provide unitholders with regular distributions. The Fund intends to achieve its objective by initially investing substantially all its net assets in non-voting units of the Commercial Fund, which in turn invests substantially all its net assets in the corresponding non-voting limited partnership units of the Partnership.

The Partnership seeks to maximize total returns for its limited partner unitholders, including income and capital appreciation and to provide its limited partner unitholders with regular distributions. The Partnership intends to achieve its objectives by selecting, purchasing and actively managing diversified real estate related assets and investments, including but not limited to direct interests in real estate, mortgages and other real estate related debts and investments.

The Fund is authorized to issue multiple classes as from time to time designated by the Trustee and the Trustee has currently authorized an unlimited number of Class A, Class F, Class J, Class I, Class UA and Class UF units (collectively referred to as “Units”). As at December 31, 2018 and 2017, the Fund owned 100% of Class A units, Class F units and Class J units of the Commercial Fund.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). This is the first set of the Fund’s annual financial statements in which IFRS 9 *Financial Instruments* has been applied. Changes to significant accounting policies are described in note 3. The financial statements were approved by the Board of Directors of the Manager on March 15, 2019.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss, which are presented at fair value.

(c) Functional and presentation currency

The Fund’s financial statements are presented in Canadian dollars, which is the functional currency of the Fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Recent changes in accounting policies

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

Effective January 1, 2018, the Fund adopted *IFRS 9 – Financial Instruments (IFRS 9)*. The Fund has elected to apply the standard on a modified retrospective basis without the restatement of comparatives for the year ended December 31, 2017. The new standard requires financial assets to be classified as measured at amortized cost or fair value, with changes in fair value recognized in fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgement. Upon transition to IFRS 9, the Fund's financial assets and financial liabilities were classified as Amortized cost, except for investments in Commercial Trust, which were classified as FVTPL. This classification differs from the classification under the previous standard *IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39")*, therefore there were changes in categorization of certain financial assets and financial liabilities upon transition to IFRS 9. Effective January 1, 2018, all financial assets that had previously been designated as FVTPL were reclassified as FVTPL. There were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9.

Reclassifications of financial instruments on application of IFRS 9

On the date of initial application of IFRS 9, January 1, 2018, the financial instruments of the Fund were as follows, with any reclassifications from December 31, 2017 noted:

	Classification category		Measurement category		Carrying amount at January 1, 2018		
Financial instruments	Original	New	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)	(IAS 39)	(IFRS 9)	(IAS 39)	(IFRS 9)	
Assets							
Investment in Timbercreek Four Quadrant Commercial Trust	FVTPL – Designated	FVTPL – Designated	FVTPL	FVTPL	\$106,170	\$ 106,170	\$ –
Receivable from investments sold	Loans and receivables	Amortized cost	Amortized cost	Amortized cost	490	490	–
Distribution receivable from Timbercreek Four Quadrant Commercial Trust	Loans and receivables	Amortized cost	Amortized cost	Amortized cost	1,504	1,504	–
Liabilities							
Bank indebtedness	Financial liabilities	Amortized cost	Amortized cost	Amortized cost	218	218	–
Redemptions payable	Financial liabilities	Amortized cost	Amortized cost	Amortized cost	490	490	–
Accounts payable and other liabilities	Financial liabilities	Amortized cost	Amortized cost	Amortized cost	64	64	–
Distributions payable	Financial liabilities	Amortized cost	Amortized cost	Amortized cost	1,013	1,013	–
Due to the Partnership	Financial liabilities	Amortized cost	Amortized cost	Amortized cost	335	335	–

Financial assets and financial liabilities

Financial assets are classified as measured at one of the following: (i) FVTPL, (ii) FVOCI or (iii) amortized cost. Financial liabilities are classified as measured at one of the following: (i) FVTPL or (ii) amortized cost.

The Fund has classified its investment as measured at FVTPL. The changes in fair values of investments and related transaction costs are recorded in the Fund's Statement of Income and Comprehensive Income.

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

Financial assets and financial liabilities designated that are classified as measured at FVTPL are financial instruments that are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. Financial instruments at FVTPL are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

All other financial assets and financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issuance.

Financial assets and liabilities classified as measured at amortized cost are subsequently measured at amortized cost using the effective interest method, less any impairment losses. This category includes cash, distribution receivable from Timbercreek Four Quadrant Commercial Trust, receivable from investments sold, redemptions payable, distributions payable and accounts payable and other liabilities. Financial assets classified and subsequently measured at FVTPL includes investment in the Partnership.

(b) Fair value measurement

Financial instruments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Fund measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Fund has access to at that date.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and securities) is based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Investment fund units are valued at their respective net asset value on each valuation date as these values are the most readily and regularly available.

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

(c) Investment entities

The Manager has concluded that the Fund meets the definition of an investment entity within IFRS 10 and as a result, the Fund measures subsidiaries, if any, at FVTPL rather than consolidate them.

(d) Investment transactions and income recognition

Investment transactions are accounted for on a trade-date basis; that is, on the day that a buy or sell order is executed.

Distributions from investment funds are recorded when declared.

Realized gains and losses from investment transactions are calculated as proceeds of disposition less their average cost. The cost of investments represents the amount paid for each security and is determined on an average-cost basis, excluding transaction costs.

(e) Income taxes

The Fund has qualified and is expected to continue to qualify as a mutual fund trust under the Income Tax Act (Canada) and, accordingly, is not taxed on the portion of taxable income that is paid or made payable to unitholders. Income tax on net realized capital gains not paid or made payable to unitholders may be recoverable by the Fund in future periods. It is the intention of the Fund to distribute all of its future income and sufficient net realized capital gains so that the Fund will not be subject to income tax.

(f) Redeemable units and net assets attributable to holders of redeemable units

The Fund has issued multiple series of redeemable units, which are equally subordinated but are not identical and consequently, do not meet the conditions to be classified as equity. As a result, the Fund's obligations for net assets attributable to holders of redeemable units are classified as financial liabilities and presented at the redemption amounts. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount which is the residual interest in the Fund.

The Fund is authorized to issue Class A, Class F, Class J, Class I, Class UA and Class UF units which are redeemable at the holder's option on a quarterly basis and do not have identical rights. The redeemable units are classified as liabilities in the statements of financial position.

For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale, which is included in net assets attributable to holders of redeemable units. For each unit redeemed, net assets attributable to holders of redeemable units is reduced by the net asset value of the unit at the date of redemption. The redeemable shares are measured at the redemption amount and are considered a residual interest in the Fund.

The Fund incurs issuance costs relating to the offerings of redeemable shares. These issuance costs are offset against the gross proceeds received from the redeemable share offerings in the statement of changes in net assets attributable to holders of redeemable units.

The Fund's net assets value ("NAV") is determined by subtracting the aggregate amount of liabilities of the Fund from the total assets of the Fund. The NAV per unit is calculated by dividing the NAV attributable to each class of redeemable units by the total number of outstanding redeemable units for each respective class. There is no difference between the Fund's NAV per unit and net assets attributable to holders of redeemable units per unit.

The increase or decrease in net assets attributable to holders of redeemable units per unit by class in the statements of comprehensive income represents the change in net assets attributable to holders of redeemable units attributable to each class divided by the weighted average number of units of that class outstanding during the reporting period. Income, expenses other than trailer fees, and realized and unrealized capital gains (losses) are distributed amongst the different classes of units in proportion to the amount invested in them.

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

(g) Critical accounting judgements and estimates

In the preparation of these financial statements, the Manager has made judgments, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In making estimates and judgments, the Manager relies on external information and observable conditions where possible, supplemented by internal analysis as required. There are no known trends, commitments, events or uncertainties that the Manager believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these financial statements.

(i) Accounting judgments

Investments entities

The Manager applies judgment in assessing whether the Fund should account for its investments in accordance with IFRS 10, *Consolidated Financial Statements*, IAS 28, *Investments in Associates*, or as a financial asset in accordance with IFRS 9, *Financial Instruments*. The Manager has concluded that the Fund meets the definition of an investment entity in accordance with IFRS 10. These conclusions will be reassessed on an annual basis to determine if any of these criteria or characteristics have changed. Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries, if any, at FVTPL rather than consolidate them.

(ii) Measurement of fair values

The Fund measures financial instruments at fair value at each reporting date. Based on the Manager's assessment, the fair value of the investments in the Commercial Fund is equal to the Fund's proportionate share of the net assets attributable to unitholders of the Commercial Fund for each class. The Fund routinely redeems and issues the redeemable trust units at an amount equal to the proportionate share of net assets of the Commercial Fund at the time of redemption. Accordingly, the carrying amount of net assets attributable to unitholders of the Commercial Fund approximates their fair value.

4. INVESTMENT IN THE PARTNERSHIP

The Fund invests substantially all its net assets in the Commercial Fund which in turn invests substantially all its net assets in the Partnership. As at December 31, 2018, the Fund indirectly owns 48.5% (December 31, 2017 – 36.4%) of the Partnership.

Summary of investment holdings of the Partnership as at December 31, 2018 and 2017:

	% of net assets	
	2018	2017
Investments in associates	10.4%	11.5%
Investments in joint venture	0.9%	-
Investments in property	6.0%	-
Portfolio investments	59.2%	48.7%
Mortgage and loan investments	33.1%	32.8%
Derivative contracts, net – currency forwards	(0.9)%	0.4%
Derivative contracts, net – equity swaps	(0.2)%	(0.3)%
Total investments	108.5%	93.1%
Other assets/liabilities, net	(8.5)%	6.9%

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

Net assets attributable to unitholders	100.0%	100.0%
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Fair value measurement of the Partnership

(a) Investments

Investments in associates and joint ventures

Associates are entities over which the Partnership exercises significant influence, but not control, over its financial and operating policies ("Associates"). Significant influence is presumed to exist when the Partnership holds between 20% and 50% of the voting power of another entity.

Joint venture is a joint arrangement whereby the joint parties ("Joint Ventures"), the Partnership included, exercise control jointly and have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control where decisions about relevant activities of the arrangement require unanimous consent of all parties.

Investments in Associates and Joint Ventures are accounted for using the equity method and are recognized initially at cost. The consolidated financial statements include the Partnership's share of income and expenses and equity movements of the Associates and Joint Ventures, after adjustments to align the accounting policies with those of the Partnership, from the date that significant influence commences or joint venture forms until the date that significant influence ceases or joint venture ends. When the Partnership's share of losses exceeds its interest in the equity accounted investee, the carrying amount of that interest is reduced to nil and the obligation of further losses is discontinued, except to the extent that the Partnership has an obligation or has made payments on behalf of the Associates or Joint Ventures. Income and expenses resulting from transactions with Associates and Joint Ventures are recognized in the consolidated financial statements based on the interests of unrelated investors in the Associates and Joint Ventures.

Investment property

The Partnership accounts for real estate classified as investment property using the fair value method. A property is determined to be an investment property when it is principally held to earn rental income, capital appreciation or both. The investment property is initially measured at cost, including transaction costs associated with acquiring the property. Subsequent to initial recognition, the investment property is carried at fair value. Gains or losses arising from changes in fair value are recognized in profit or loss during the year in which they arise. The fair value of the investment property is determined by an external appraiser on at least an annual basis.

The fair value of the investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. It also reflects any cash outflows (excluding those relating to future capital expenditures) that could be expected in respect of the property. The Partnership may also use alternative valuation methods such as discounted cash flow projections or income capitalization methods where appropriate.

Subsequent capital expenditures are charged to the investment property only when it is probable that future economic benefits of the expenditure will flow to the Partnership and the cost can be measured reliably.

Gains or losses from the disposal of the investment property are determined as the difference between the net disposal proceeds and the carrying amount and are recognized in the Partnership's consolidated statements of income and comprehensive income in the year of disposal.

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

Portfolio investments

The Partnership's portfolio investments include common and preferred equity of publicly-traded companies and unquoted private equity investments. When available, the Partnership measures the fair value of the portfolio investments using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. The fair values of portfolio investments are determined with reference to their quoted closing market price at the measurement date. Changes in the fair value are recognized in the Partnership's consolidated statements of income and comprehensive income in the year incurred. For unquoted private investments, the Partnership establishes fair value using an appropriate valuation technique. Valuation techniques may include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same and discounted cash flow analyses.

Transaction costs directly attributable to the acquisition of these instruments are recognized in the Partnership's consolidated statements of income and comprehensive income in the year incurred.

Mortgage and loan investments

The mortgage and loan investments are classified as investments measured at amortized cost. Such investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the investment loans are measured at amortized cost using the effective interest method, less any allowance for expected credit losses. The mortgage and loan investments are assessed at each reporting date to determine whether there is objective evidence of impairment. In determining expected credit losses, the Partnership will consider loss events including, but not limited to: (i) payment default by a borrower which is not cured during a reasonable period; (ii) whether security of the mortgage is significantly negatively impacted by some events; and (iii) financial difficulty experienced by a borrower. The estimation of future cash flows includes assumptions about local real estate market conditions, market interest rates, availability and terms of financing, underlying value of the security and various other factors. These assumptions are limited by the availability of reliable comparable market data, economic uncertainty and the uncertainty of future events. Accordingly, by their nature, estimates of expected credit losses are subjective and may not necessarily be comparable to the actual outcome. Should the underlying assumptions change, the estimated future cash flows could vary.

A loss with respect to investments measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in the Partnership's consolidated statements of income and comprehensive income and are reflected in an allowance account against the investments. Interest on the impaired assets continues to be recognized through the unwinding of the discount if it is considered collectable. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

From January 1, 2018, the Partnership's financial assets measured at amortized cost are subject to IFRS 9's new expected credit loss model. The Partnership applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected credit loss provision for all other assets. Impairment losses on financial assets at amortized cost, if any, are recognized in the statements of comprehensive income. As at December 31, 2018, \$60 was recorded as allowance for credit losses in mortgage and loan investments.

5. OPERATING EXPENSES

The Fund is responsible for its operating expenses, including legal, audit, unitholder reporting, transfer agency services, independent review committee fees and the cost of financial and other reports in compliance with all applicable laws, regulations and policies. Such

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

expenses are calculated and accrued daily based on the average net asset value of each class. The Manager may pay for such expenses on behalf of the Fund, except for certain expenses, such as interest and taxes, which are reimbursed by the Fund on a monthly basis.

6. REDEEMABLE UNITS OF THE FUND

The Fund is authorized to issue an unlimited number of redeemable units of Class A, Class F, Class I, Class J, Class UA, and Class UF units, each of which represents an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Fund.

Class A units are available to all eligible investors. Class F units are generally only available to eligible investors who have fee-based accounts with qualified representatives or who are investing directly with the Fund. There are no servicing fees paid on Class F units. Class J units are available to certain private and institutional investors which are not entities exempt from tax under the Income Tax Act and who meet the applicable minimum investment amount for Class J units. Class I units are available to certain institutional investors which are entities exempt from tax under the Tax Act and who meet the applicable minimum investment amount for Class I units. Class UA and AF units are currently not available for subscriptions. As at December 31, 2018 and 2017, there were no Class I, Class UA and Class UF units outstanding. Each unit of each class entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund.

During the year ended December 31, 2018, the number of units of each class that have been issued and are outstanding are shown in the table below:

	Class A Units	Class F Units	Class J Units
Opening balance – January 1, 2018	413,530	2,816,308	7,024,998
Issued	533,126	5,942,126	4,717,807
Redeemed	(74,660)	(1,473,435)	(1,303,116)
Reinvested distributions	33,372	188,367	312,295
Redeemable units outstanding, December 31, 2018	905,368	7,473,366	10,751,984

During the period from February 22, 2017 (commencement of operations) to December 31, 2017, the number of units of each class that have been issued and are outstanding are shown in the table below:

	Class A Units	Class F Units	Class J Units
Opening balance – February 22, 2017	–	–	–
Issued	409,797	2,815,661	7,041,019
Redeemed	(1,816)	(27,339)	(123,655)
Reinvested distributions	5,549	27,986	107,634
Redeemable units outstanding, December 31, 2017	413,530	2,816,308	7,024,998

(a) Redemptions

Subject to suspension of redemptions by the Trustee in certain circumstances as outlined in the Declaration of Trust, a unitholder is entitled to require payment of the redemption price of all or any of their units by giving written notice to the registrar and transfer agent. Unitholders have the right to redeem units on the last business day in March, June, September and December of each year at a redemption price per unit equal to Class NAV per unit on the quarterly redemption date. Units must be surrendered for the quarterly

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

redemption together with a redemption notice submitted by the unitholder to the Trustee at least 30 days prior to the applicable quarterly redemption date. Payment of redemption proceeds are made within 60 days following the applicable quarterly redemption date. The Fund shall not accept for redemption on any quarterly redemption date, a redemption representing more than 5% of the average number of units of each class outstanding for the 90-day period immediately preceding that applicable quarterly redemption date. As at December 31, 2018, \$5,641 (December 31, 2017 – \$490) of redemptions were payable to the unitholders.

(b) Distributions

Eligible unitholders have the option to elect to automatically reinvest all of the cash distributions paid on units held by them in additional units of the same Class. As at December 31, 2018, \$844 (December 31, 2017 – \$1,013) of distributions were payable to the unitholders.

7. RELATED PARTY TRANSACTIONS

(a) Partnership management fee

The Manager will not be paid a management fee by the Fund or the Commercial Fund. As the manager of the Partnership, the Manager will be paid a monthly management fee (the “Partnership Management Fee”) by the Partnership equal to 1/12 of the annual management fee percentage applicable to each class of units as defined below, plus applicable taxes, paid monthly in arrears based on the Class NAV of such units at the last valuation date in each month.

The Fund’s Class A, Class F and Class J units invest in the corresponding non-voting units of the Commercial Fund, which in turn invests in the corresponding non-voting limited partnership units (the “LP NV Units”) of the Partnership. There are no Class I, Class UA and Class UF units outstanding or issued by the Fund since its inception. The Partnership Management Fee payable is 1.25% per annum of the adjusted Class NAV for Class J LP NV Units; and 1.50% per annum of the adjusted Class NAV for Class A and Class F LP NV Units. The Partnership Management Fee for any corresponding LP NV Units will be calculated based on the adjusted Class NAV of such LP NV Units, from which will be deducted the aggregate applicable fees and expenses of the Commercial Fund and the Fund, where applicable, excluding any applicable trailer fees.

For the year ended December 31, 2018, the Partnership Management Fee respect to Class A, F and J units was \$125, \$926 and \$1,321 respectively (December 31, 2017 – \$34, \$205 and \$547 in respect of Class A, F and J units, respectively).

(b) Partnership performance fee

The Manager will not be paid a performance fee by the Fund or the Commercial Fund. As the manager of the Partnership, the Manager will be paid a performance fee (the “Partnership Performance Fee”) by the Partnership as at December 31 of each year (a “Performance Valuation Date”) if the below threshold is met.

The Partnership Performance Fee, plus applicable taxes, will be payable to the Manager by the Partnership in respect of a LP NV Unit if the total return of that class of units on a per unit basis for the 12 months ended on the performance valuation date of that year exceeds the amount (the “Threshold”) resulting from multiplying 8.0% (the “Hurdle Rate”) to the high water mark (the “High Water Mark”) of that LP NV Unit. If the unit has not been issued for a full year at the time of calculation, such calculation shall be pro-rated proportional to the number of days for which that unit has been outstanding. Expenses of the Fund will be deducted from the total return for the purpose of calculating Partnership Performance Fee.

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

The amount of Partnership Performance Fees payable on a unit for a determination year, if the abovementioned threshold is satisfied, is equal to 20% of the amount by which: (1) the total return of the class of units to which that unit belongs, determined on a per-unit basis, during the year on the performance valuation date; exceeds (2) the applicable Threshold.

The High Water Mark for a LP NV Unit is the higher of (1) the initial issue price of that unit; and (2) the Class LP NV NAV per unit (after deducting the Partnership Performance Fee payable by that class of units for the year prior to the determination year and any current or deferred tax liabilities) on the performance valuation date of the year before the determination year.

The aggregate amount of Partnership Performance Fee payable on all LP NV Units will be deducted as an expense of the Partnership and be allocated to that class of LP NV Units in the calculation of the NAV of that class of LP NV Units. For the year ended December 31, 2018, the Partnership Performance Fee with respect to Class A, F and J units was \$45, \$367 and \$528, respectively (December 31, 2017 - \$14, \$129, \$439 in respect of Class A, F and J unit, respectively).

(c) Trailer fee

Registered dealers of the Class A units of the Fund receive a serving fee (the "Trailer Fee") equal to 0.50% per annum of the Class A NAV per unit for so long their clients held those units. The Trailer Fee, plus applicable taxes, is calculated and paid at the end of each calendar quarter. The Fund will pay to the Trustee, who in turn, will pay each registered dealer. For the year ended December 31, 2018, the Fund has incurred a Trailer Fee of \$72 in respect of Class A units (December 31, 2017 - \$21) which is included in accounts payable and other liabilities.

8. INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

Increase in net assets attributable to holders of redeemable units per unit is based on the increase in net assets attributable to holders of redeemable units attributed to each class of units, divided by the weighted average number of units outstanding of that class during the year.

The increase in net assets attributable to holders of redeemable units per unit for the year ended December 31, 2018 is calculated as follows:

December 31, 2018	Class A units	Class F units	Class J units
Increase in net assets attributable to holders of redeemable units	\$ 558	\$ 4,708	\$ 7,956
Weighted average of redeemable units outstanding during the year	715,299	5,214,996	8,935,274
Increase in net assets attributable to holders of redeemable units per unit	\$ 0.78	\$ 0.90	\$ 0.89

The increase in net assets attributable to holders of redeemable units per unit for period from February 22, 2017 (commencement of operations) to December 31, 2017 is calculated as follows:

December 31, 2017	Class A units	Class F units	Class J units
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For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

Increase in net assets attributable to holders of redeemable units	\$	101	\$	828	\$	3,086
Weighted average of redeemable units outstanding during the year		235,707		1,276,051		4,073,860
Increase in net assets attributable to holders of redeemable units per unit	\$	0.43	\$	0.65	\$	0.76

9. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of units by the total number of units of that particular class outstanding at the end of the year.

10. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The Manager manages the capital of the Fund, which consists of the net assets attributable to holders of redeemable units of the Fund, in accordance with the investment objectives set out in the Fund's offering documents. For the year ended December 31, 2018 and the period from February 22, 2017 (commencement of operations) to December 31, 2017, the Fund was in compliance with all financial covenants.

(b) Risk management

In the normal course of business, the Fund is directly and indirectly exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, market price risk and currency risk). The value of investments within the Fund's portfolio including its investment in the Commercial Fund and indirect investment in the Partnership can fluctuate on a daily basis as a result of changes in interest rates, general economic conditions and company news related to specific securities within the Fund. The level of risk depends on the Fund's and the Partnership's investment objectives and the type of securities in which they invest.

The Manager seeks to minimize the potential adverse effects of risk on the Partnership's performance by retaining professional, experienced portfolio advisors and analysts, monitoring the Partnership's positions and market events and diversifying the investment portfolio within the parameters of the investment objectives. The Manager uses internal guidelines that identify the target exposures for each type of security and private real estate investments, while adhering to the investment restrictions of the Partnership. The various financial instrument risks and the level of the Fund's exposure to those risks are described below.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment to the Fund. The maximum exposure to credit risk is represented by the total assets of the Fund.

The Fund is exposed to credit risk through its indirect investment in the Partnership. The Partnership's credit risk may arise on mortgage and loan investments including interest receivable, where there is a possibility that a borrower may be unable to honor its loan commitments that could result in a loss to the Partnership, which accounts for 33.1% of the Partnership's net assets as at December 31, 2018 (December 31, 2017 – 32.8%). The Partnership mitigates this risk by: (i) adhering to its investment restrictions and investment objectives; (ii) ensuring a comprehensive due diligence process is conducted on each mortgage or loan prior to funding, and (iii) actively monitoring the debt portfolio and initiating recovery procedures, in a timely manner, where required.

The Partnership's exposure to credit risk relating to forward contracts and equity swaps is concentrated to two counterparties, both of which have a S&P Global's credit rating of 'A' or higher. The Partnership also provides collateral with these counterparties. The

TIMBERCREEK FOUR QUADRANT GLOBAL REAL ESTATE TRUST

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

Partnership's exposure to credit risk relating to the cash balances is concentrated to two custodian banks, both of which have a S&P Global credit rating of 'A' or higher.

The Partnership is exposed to credit risk from preferred share securities. As at December 31, 2018, these securities account for 3.8% (December 31, 2017 – 2.2%) of the Partnership's net assets. The credit rating of preferred share securities is not available. Given the nature of the real estate industry, many companies traditionally obtain debt financing through mortgages secured by real property and in certain circumstances will issue publicly listed debentures. Those companies that do not have public debt securities are typically not rated by the rating agencies. As such, to minimize the risk associated with a fixed-return, the Manager of the Partnership conducts a thorough analysis of the issuer to determine their creditworthiness. Specifically, the Manager of the Partnership will conduct an analysis of each company analyzing the loan-to-value ratios, debt-service coverage ratio and the quality of the company's real estate holdings.

Liquidity risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligation associated with financial liabilities. The Fund's exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Fund primarily invests in units of the Commercial Fund and the Commercial Fund's investment of the Partnership are not traded in an active market but can be redeemed quarterly by providing redemption notice to the Partnership at least 30 days prior to the quarterly redemption date.

The following are the contractual maturities of financial liabilities as at December 31, 2018:

	Carrying value		Contractual cash flows		Within a year	2– 5 years
Redemptions payable	\$	5,641	\$	5,641	\$ 5,641	\$ –
Distribution payable		844		844	844	–
Accounts payable and other liabilities		94		94	94	–
	\$	6,579	\$	6,579	\$ 6,579	\$ –

The following are the contractual maturities of financial liabilities as at December 31, 2017:

	Carrying value		Contractual cash flows		Within a year	2– 5 years
Bank indebtedness	\$	218	\$	218	\$ 218	\$ –
Redemptions payable		490		490	490	–
Distribution payable		1,013		1,013	1,013	–
Due to the Partnership		335		335	335	–
Accounts payable and other liabilities		64		64	64	\$ –

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

	\$	2,120	\$	2,120	\$	2,120	–
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Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Fund.

The Fund is exposed to currency risk through its indirect investment in the Partnership. The Partnership may enter into forward contracts for hedging purposes to reduce its foreign currency exposure or to establish exposure to foreign currencies. At December 31, 2018, approximately 19.0% and 11.8% (December 31, 2017 – 19.7% and 21.2%) of the Partnership's net assets will fluctuate based on changes in U.S. dollars and other foreign currency exchange rates, respectively. As at December 31, 2018, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all variables held constant, the net assets of the Fund would have increased or decreased, respectively, by \$3,137 (December 31, 2017 – \$1,637). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to interest rate risk through its indirect investment in the Partnership. The Partnership is exposed to the risk that the value of its financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Partnership's private debt investments bear interest at fixed rates with the exception of 16 mortgage investments, amounting to 15.7% (December 31, 2017 – 8.8%) of the Partnership's net assets, that bears interest at a variable floor rate. If there were a decrease or increase of 0.50% in interest rates, with all other variables constant, the impact from variable rate debt investment on the net assets of the Fund would be a decrease or increase in net income of \$160 (December 31, 2017 – \$47). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Market price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments present a risk of capital loss. The Fund is exposed to market price risk through its investment in the Partnership. The Partnership is exposed to equity price risk for its investment in public securities. This arises from investments held by the Partnership for which prices in the future are uncertain. The Partnership's policy is to manage price risk through diversification and the selection within specified limits as set by its investment objectives. The Partnership intends to make investments in public equities in the range of 10% to 30% of its total net assets attributable to unitholders. The Partnership's policy requires that the overall market position is monitored on a daily basis by its Manager. The Partnership had no concentration in individual public equity positions exceeding 5.0% of its net assets of the Partnership. Based on the Partnership's investment in public securities as at December 31, 2018, if the prices of public securities had increased or decreased by 5%, with all other variables held constant, the net assets of the Fund would have increased or decreased approximately by \$2,863 (December 31, 2017 – \$1,575). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

11. FAIR VALUE HIERARCHY

The Fund's investment in the units of Commercial Fund is classified as Level 2 since its fair value is determined by the underlying fair value of the units of the Partnership. The Manager has concluded that the most appropriate estimate of fair value of the Commercial

Notes to the financial statements

For the year ended December 31, 2018

(All amounts in thousands of Canadian dollars, unless otherwise noted)

Fund units is their net asset value per unit, without adjustment, at the reporting date. During the year ended December 31, 2018 and 2017, no financial instruments were transferred between any levels.

The financial instruments not measured at FVTPL are short-term financial assets and financial liabilities whose carrying amounts approximate fair value, including receivable from investments sold, redemptions payable, distributions payable, accounts payable and other liabilities, and due to the Partnership.

Partnership

As at December 31, 2018, the carrying amounts and fair values of assets and liabilities of the Partnership, expressed in percentage of the Partnership's net assets is as follow:

	Carrying values as % of net assets		
	Amortized cost	FVTPL	Fair value
Assets not measured at fair value	40.1%	–	40.1%
Assets measured at fair value	–	77.3%	77.3%
Liabilities not measured at fair value	(16.4)%	–	(16.4)%
Liabilities measured at fair value	–	(1.0)%	(1.0)%

As at December 31, 2017, the carrying amounts and fair values of assets and liabilities of the Partnership, expressed in percentage of the Partnership's net assets is as follow:

	Carrying values as % of net assets			
	Amortized cost	FVTPL	Other Financial liabilities	Fair value
Assets not measured at fair value	45.3%	–	–	45.3%
Assets measured at fair value	–	49.3%	–	49.3%
Liabilities not measured at fair value	–	–	(5.0)%	(5.0)%
Liabilities measured at fair value	–	(0.6)%	–	(0.6)%

As at December 31, 2018, the Partnership's portfolio investments accounts for 59.2% (December 31, 2017 – 48.6%) of its net assets, of which 28.1% (2017 – 29.5%) is invested in common and preferred shares of publicly-traded companies (Level 1) and 31.1% (December 31, 2017 – 19.1%) in unquoted private investments (Level 3).

Mortgage and loan investments, classified as loans and receivable, accounts for 33.1% (December 31, 2017 – 32.8%) of the Partnership's net assets and do not have quoted price in an active market. The Manager makes its determination of fair value based on its assessment of the current lending market for same or similar investments. Typically, the fair value of these investments approximates their carrying values, given the amounts consist of short-term loans that are repayable at the option of the borrower without yield maintenance or penalties. As a result, the fair value of mortgage and loan investments is based on level 3 inputs.

12. EXEMPT FROM FILING

The Fund is relying on the exemption obtained in National Instrument 81–106, Part 2.11 to not file its financial statements.

ITEM 13– DATE AND CERTIFICATE

Dated: May 27, 2019

This Confidential Offering Memorandum does not contain a misrepresentation.

TIMBERCREEK FOUR QUADRANT GLOBAL REAL ESTATE TRUST

**by its trustee
TIMBERCREEK INVESTMENT MANAGEMENT INC.**

(Signed) “*R. Blair Tamblyn*”

Name: R. Blair Tamblyn
Chief Executive Officer

(Signed) “*Gigi Wong*”

Name: Gigi Wong
Chief Financial Officer

**On behalf of the Board of Directors of
TIMBERCREEK INVESTMENT MANAGEMENT INC.
as Trustee**

(Signed) “*Corrado Russo*”

Name: Corrado Russo
Director

(Signed) “*Carrie Morris*”

Name: Carrie Morris
Director

GLOSSARY OF TERMS

“\$” means Canadian dollars and “US\$” means U.S. dollars.

“**Administrator**” means SGGG Fund Services Inc., the administrator for the Trust and the Partnership, as the context may require, which is responsible for providing administration services to the Trust and the Partnership, as the context may require, including record keeping, register management, Unit and LP Unit transactions and similar services as may be provided to the Trust or the Partnership, as the case may be, by the administrator or by such other party as may be retained from time to time by the Trust.

“**Advisor Group**” has the meaning ascribed to it under “Item 5.3 – Minimum Subscription Amount”.

“**Advisor Notice**” has the meaning ascribed to it under “Item 5.3 – Minimum Subscription Amount”.

“**Business Day**” means any day except Saturday, Sunday, a statutory holiday in Toronto, Ontario or any other day on which the Toronto Stock Exchange is not open for trading.

“**CBCA**” means the *Canada Business Corporations Act*.

“**Change in Non Portfolio Assets**” for the Trust or the Partnership, as the context may require, on a Valuation Date means:

- (a) the aggregate of all income accrued by the Trust or the Partnership, as the context may require, through to that Valuation Date, including cash dividends and distributions, interest and compensation; plus or minus
- (b) any change in the value of any non-portfolio assets or liabilities stated in any foreign currency accrued through to that Valuation Date, including, without limitation, cash, accrued dividends or interest and any receivable or payables; plus or minus
- (c) any gain or loss resulting from transfers of currencies accrued through to that Valuation Date; plus or minus
- (d) any other item accrued through to that Valuation Date determined by the Trustee or the General Partner, as the context may require, to be relevant in determining a Change in Non Portfolio Assets.

“**Class**” means a class of LP Units of the Partnership or a class of Units of the Trust, as the context may herein require.

“**Class A Units**” means the class of non-transferable, redeemable units of the Trust designated as the “Class A Units”.

“**Class Expenses**” means those expenses of the Trust that are attributable to a particular Class of Units of the Trust (including, for greater certainty, any costs related to hedging activities) other than Common Expenses, as determined by the Trustee acting in good faith.

“**Class F Units**” means the class of non-transferable, redeemable units of the Trust designated as the “Class F Units”.

“**Class I Units**” means the class of non-transferable, redeemable units of the Trust designated as the “Class I Units”.

“**Class J Units**” means the class of non-transferable, redeemable units of the Trust designated as the “Class J Units”.

“Class UF Units” means the class of non-transferable, redeemable units of the Trust designated as the “Class UF Units”.

“Class UJ Units” means the class of non-transferable, redeemable units of the Trust designated as the “Class UJ Units”.

“Class NAV” or **“Class Net Asset Value”** means in respect of any particular Class of Units of the Trust or Class of LP Units of the Partnership on any particular Business Day, the portion of the Net Asset Value of the Trust attributed to the Units of such Class or of the Partnership attributed to the LP Units of such Class as determined by the Trustee or the Partnership as the context may require.

“Class NAV per LP Unit” or **“Class Net Asset Value per LP Unit”** has the meaning attributed thereto under “Item 2.7.2 – Limited Partnership Agreement – Calculation of Net Asset Value - Class Net Asset Value per LP Unit”.

“Class NAV per Unit” or **“Class Net Asset Value per Unit”** has the meaning attributed thereto under “Item 2.7.1 – Declaration of Trust – Calculation of Net Asset Value - Class Net Asset Value per Unit”.

“Confidential Offering Memorandum” means this final confidential offering memorandum dated August 31, 2017.

“Closing Date” has the meaning ascribed to it under “Item 5.2 - Subscription Procedure”.

“Commercial Trust” means Timbercreek Four Quadrant Commercial Trust.

“Common Expenses” means those expenses of the Trust other than Class Expenses.

“CRA” has the meaning attributed thereto under “Item 6 - Certain Canadian Federal Income Tax Considerations”.

“CT Declaration of Trust” means the declaration of trust governing the Commercial Trust dated January 24, 2017 between the CT Trustee and the Trust.

“CT Trustee” means TIMI or any successor thereto, acting as trustee of the Commercial Trust.

“Custodial Agreement” means the custodial services agreement between TIMI and the Custodian dated as of May 14, 2015, as amended and/or restated from time to time.

“Custodian” means CIBC Mellon Trust Company, in its capacity as custodian under the Custodial Agreement.

“Declaration of Trust” means the amended and restated declaration of trust governing the Trust dated May 24, 2019 (as amended from time to time) between the Trustee, the Initial Unitholder, and each party who, from time to time, becomes a Unitholder.

“Determination Year” has the meaning attributed thereto under “Item 2.7.2 – Limited Partnership Agreement – Fees and Expenses - Performance Fee on the LP Units Offered”.

“Distribution Payment Date” has the meaning ascribed thereto under “Item 5.1 – Terms of Securities - Distributions”.

“Distribution Purchase Price” has the meaning attributed thereto under “Item 5.1.3 - Distribution Reinvestment Plan”.

“Distribution Record Date” has the meaning ascribed thereto under “Item 5.1 – Terms of Securities - Distributions”.

“DRIP” means the Distribution Reinvestment Plan adopted by the Trust on January 24, 2017, as may be amended from time to time.

“Eligible Employee” has the meaning ascribed to it under “Item 5.2 - Subscription Procedure”.

“Eligible Holders” has the meaning attributed thereto under “Item 5.1.3 - Distribution Reinvestment Plan”.

“Exchange Rate” has the meaning ascribed to it under “Item 5.2 - Subscription Procedure”.

“Extraordinary Resolution” means a resolution passed by the affirmative vote of at least 66⅔% of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“Founders Class Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Founders Class Units”.

“General Partner” means Timbercreek Four Quadrant GP Inc., or any other party that may become the general partner of the Partnership in place of, or in substitution for, Timbercreek Four Quadrant GP Inc., from time to time, in each case until such General Partner ceases to be the general partner of the Partnership under the terms of the Limited Partnership Agreement.

“High-Quality Money Market Instruments” mean high-quality money market instruments which are accorded the highest rating category by either of Standard & Poor’s Ratings Services (“**A 1**”) or DBRS Limited (“**R 1**”).

“High Water Mark” has the meaning attributed thereto under “Item 2.7.2 – Limited Partnership Agreement – Fees and Expenses - Performance Fee on the LP Units Offered”.

“Hurdle Rate” has the meaning attributed thereto under “Item 2.7.2 – Limited Partnership Agreement – Fees and Expenses - Performance Fee on the LP Units Offered”.

“IFRS” means International Financial Reporting Standards, issued by the International Accounting Standards Committee, and as adopted by the Canadian Institute of Chartered Accountants, as amended from time to time.

“Income of the Trust” has the meaning ascribed thereto under “Item 5.1 – Terms of Securities - Distributions”.

“Initial Unitholder” means Timbercreek, as the initial holder of Units.

“Intermediary” has the meaning attributed thereto in the Distribution Reinvestment Plan.

“Investment Committee” means the investment committee of Timbercreek Asset Management Inc. as constituted from time to time.

“Investor” means a person who subscribes for Class A Units, Class F Units, Class J Units, Class UF Units or Class UJ Units pursuant to the Offering.

“Limited Partner” means a limited partner of the Partnership.

“Limited Partnership Agreement” means the amended and restated limited partnership agreement of the Partnership dated May 24, 2019 (as amended from time to time) between the General Partner, the limited partners identified therein, and each party who, from time to time, becomes a limited partner as a result of holding LP Units.

“LP Class A NV Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class A Non-Voting Units”.

“LP Class A Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class A Units”.

“LP Class B Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class B Units”.

“LP Class C Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class C Units”.

“LP Class D Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class D Units”.

“LP Class Expenses” means those expenses of the Partnership that are attributable to a particular Class of LP Units of the Partnership other than Common Expenses, as determined by the General Partner acting in good faith.

“LP Class F NV Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class F Non-Voting Units”.

“LP Class F Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class F Units”.

“LP Class I NV Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class I Non-Voting Units”.

“LP Class I Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class I Units”.

“LP Class J NV Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class J Non-Voting Units”.

“LP Class J Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class J Units”.

“LP Class M Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class M Units”.

“LP Class UA NV Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class UA Non-Voting Units”.

“LP Class UF Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class UF Units”.

“LP Class UJ Units” means the class of non-transferable, redeemable units of the Partnership designated as the “Class UJ Units”.

“LP Common Expenses” means those expenses of the Partnership other than LP Class Expenses.

“LP DRIP” means the Distribution Reinvestment Plan adopted by the Partnership on March 23, 2016, as may be amended from time to time.

“LP Non-Voting Units” means the LP Class A NV Units, LP Class F NV Units, LP Class I NV Units, LP Class J NV Units and LP Class UA NV Units of the Partnership.

“LP Unitholder” means a holder of LP Units.

“LP Units” means the LP Voting Units and the LP Non-Voting Units.

“LP Voting Unit” means the Founders Class Units, LP Class A Units, LP Class B Units, LP Class C Units, LP Class D Units, LP Class F Units, LP Class I Units, LP Class J Units and LP Class M Units of the Partnership.

“Management Agreement” has the meaning attributed thereto under “Item 2.7.3 – The Management Agreement”.

“Manager” means TIMI or any successor thereto, acting as manager of the Partnership.

“Net Asset Value” or **“NAV”** on a particular date will be equal to (i) the Total Assets of the Trust or of the Partnership, as the context may require, less (ii) the consolidated liabilities of the Trust or of the Partnership, as the context may require, as more fully described under “Item 2.7.1 – Declaration of Trust – Calculation of Net Asset Value”.

“Net Portfolio Transactions” for the Trust or the Partnership, as the context may require, on any Valuation Date means the impact of portfolio transactions and the adjustments to the assets as a result of a stock dividend, stock split or other corporate action recorded on that Valuation Date.

“NI 45-106” or **“National Instrument 45-106”** means National Instrument 45-106 – Prospectus Exemptions of the Canadian Securities Administrators (Regulation 45-106 respecting prospectus exemptions in Québec), as amended from time to time.

“Non-Registered Unitholder” has the meaning attributed thereto in the Distribution Reinvestment Plan.

“Non-Residents” means a partnership other than a “Canadian partnership” as defined in the *Tax Act* and a person who, for the purposes of the *Tax Act*, and at all relevant times, is not resident in Canada and is not deemed to be resident in Canada.

“Offering” means the offering of the Class A Units, Class F Units, Class J Units, Class UF Units and Class UJ Units pursuant to this Confidential Offering Memorandum.

“Ordinary Resolution” means a resolution passed by the affirmative vote of at least a majority of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“participation date” has the meaning ascribed to it under “Item 5.3 – Minimum Subscription Amount”.

“Partners” means, collectively, the General Partner and the LP Unitholders.

“Partnership” means Timbercreek Four Quadrant Global Real Estate Partners, a limited partnership formed under the laws of the Province of Ontario and governed by the Limited Partnership Agreement.

“Partnership Management Fee” has the meaning attributed thereto under “Item 2.7.2 – Limited Partnership Agreement - Fees and Expenses - Management Fee on the LP Units Offered”.

“Partnership Performance Fee” has the meaning attributed thereto under “Item 2.7.2 – Limited Partnership Agreement - Fees and Expenses - Performance Fee on the LP Units Offered”.

“Performance Valuation Date” has the meaning attributed thereto under “Item 2.7.2 – Limited Partnership Agreement - Fees and Expenses - Performance Fee on the LP Units Offered”.

“Plan Participants” has the meaning attributed thereto under “Item 5.1.3 - Distribution Reinvestment Plan”.

“Portfolio” has the meaning attributed thereto under “Item 2.2.2 – Partnership Objectives”.

“Proportionate Share” when used to describe a Unitholder’s or LP Unitholder’s, as the context may herein require, interest in any amount, means the portion of that amount obtained by multiplying that amount by a fraction, the numerator of which is the number of Units of a Class of Units of the Trust or LP Units of a Class of LP Units of the

Partnership, as the context may herein require, registered in the name of that Unitholder or LP Unitholder, as the context may herein require, and the denominator of which is the total number of Units of that Class of the Trust or LP Units of that Class of the Partnership, as the context may herein require, then outstanding;

“Quarterly Redemption Date” has the meaning ascribed thereto under “Item 2.7.1 –Declaration of Trust - Quarterly Redemptions”.

“Reclassification Right” has the meaning attributed thereto under “Item 2.7.1 –Declaration of Trust – Reclassification of Units”.

“Redemption Notes” means unsecured subordinated promissory notes of the Trust having a maturity date to be determined at the time of issuance by the Trustee (provided that in no event shall the maturity date be set at a date subsequent to the first Business Day following the fifth anniversary of the date of issuance of such note), bearing interest from the date of issue at a market rate of interest determined at the time of issuance by the Trustee, payable for each month during the term on the 15th day of each subsequent month with all principal being due on maturity, such promissory notes to provide that the Trust shall at any time be allowed to prepay all or any part of the outstanding principal without notice or bonus.

“REIT” means a Real Estate Investment Trust.

“Registered Plans” has the meaning attributed thereto under “Eligibility for Investment”.

“Registered Unitholder” has the meaning attributed thereto in the Distribution Reinvestment Plan.

“Regulations” means the regulations under the *Tax Act*.

“Resident” means a person that is resident or deemed to be resident in Canada for purposes of the *Tax Act*.

“Remaining Units” has the meaning ascribed thereto under “Item 2.7.1 –Declaration of Trust – Quarterly Redemptions - Limitation and Suspension of Redemptions”.

“RRIFs” has the meaning attributed thereto under “Eligibility for Investment”.

“RRSPs” has the meaning attributed thereto under “Eligibility for Investment”.

“SIFT Measures” means provisions contained in the *Tax Act* relating to the taxation of publicly listed or traded trusts and partnerships, and their investors.

“SIFT Tax” means the tax payable pursuant to the SIFT Measures by a “SIFT trust” and/or a “SIFT partnership”, each as defined in the *Tax Act*;

“SIFT trust” means a specified investment flow-through trust for the purposes of the *Tax Act*.

“Subscription Agreement” means the subscription agreement for a specified Class in the form prescribed by the Trust from time to time and obtainable from the Trustee.

“Tax Act” means the *Income Tax Act* (Canada), as now or hereafter amended, or successor statutes, and includes regulations promulgated thereunder.

“TD” has the meaning attributed thereto under “Item 2.7.4 – TD Credit Agreement”.

“TD Credit Agreement” has the meaning attributed thereto under “Item 2.7.4 – TD Credit Agreement”.

“TD Credit Facility” has the meaning attributed thereto under “Item 2.7.4 – TD Credit Agreement”.

“**TFSA**” has the meaning attributed thereto under “Eligibility for Investment”.

“**Timbercreek**” means Timbercreek Asset Management Inc.

“**TIMI**” means Timbercreek Investment Management Inc. (formerly Timbercreek Asset Management Ltd.).

“**Total Assets**” means the aggregate value of the assets of the Trust or of the Partnership, as the context may herein require.

“**Total Return**” means the return generated on a Class of LP Units, including, but not limited to, income from distributions declared and taxes allocated (current and deferred) to an LP Unitholder, as well as the appreciation or depreciation in the Class Net Asset Value per LP Unit, over the calendar period, calculated on December 31st of each year after any deduction of any management fee or trailer fee payable by the Partnership to the Manager pursuant to the Partnership Management Agreement. In calculating the Total Return in respect of an LP Unit, if that LP Unit has not been outstanding for a full year on the date of calculation, the amount of Total Return on that LP Unit shall be pro-rated proportional to the number of days for which that LP Unit has been outstanding.

“**Trailer Fee**” has the meaning attributed thereto under “Item 2.7.1 –Declaration of Trust - Fees and Expenses – Trailer Fee”.

“**Trust**” means Timbercreek Four Quadrant Global Real Trust, a trust formed under the laws of the Province of Ontario and governed by the Declaration of Trust.

“**Trust Expenses**” means the aggregate amount of applicable fees and expenses of the Commercial Trust and the Trust, as applicable, excluding any applicable trailer fees or related expenses, as is notified to the Partnership by the holder of the applicable Class of LP Non-Voting Units.

“**Trustee**” means TIMI or any successor thereto, acting as trustee of the Trust.

“**Unitholders**” means the holders of the Units.

“**Units**” means the Class A Units, Class F Units, Class I Units, Class J Units, Class UA Units, Class UF Units and Class UJ Units of the Trust.

“**U.S. Dollar Class Net Asset Value**” has the meaning attributed thereto under “Item 5.2 - Subscription Procedure”.

“**Valuation Agent**” means such person as may from time to time be appointed by the Trustee or the Manager, as the case may be, to calculate the Class Net Asset Value per Unit and the Net Asset Value of the Trust or the Class Net Asset Value per LP Unit and the Net Asset Value of the Partnership, as the context may require.

“**Valuation Date**” has the meaning attributed thereto under “Item 2.7.1 –Declaration of Trust - Calculation of Net Asset Value”.